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MEXICO AND ITS AGRICULTURE: A DEVELOPING MARKET



DECEMBER 1984

Office of the Counselor
for Agricultural Affairs,
US Embassy, Mexico City

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MEXICO AND ITS AGRICULTURE: A DEVELOPING MARKET

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TABLE OF CONTENTS

	<u>PAGE</u>
I. The United States Embassy In Mexico	1
II. U.S. Market Development Activities	1
III. A Primer For Marketing Agricultural Products In Mexico: Understanding The Problems Can Help	2
IV. Mexican Government Requirements For Imports Of Food, Agricultural And Livestock Products	3
V. Selling Grains And Oilseeds To Mexico	4
VI. Selling Livestock To Mexico	5
VII. Selling to the Border Free Zones	8
VIII. Firms And Associations That Presently Import Or That Have Expressed An Interest In Importing Food Products	11
IX. Current Mexican Imports From The United States	12
X. The Agricultural Plant And Its Physical Characteristics	12
XI. Agrarian Reform, Land Tenure, And Rural Development	14
XII. U.S.-Mexico Agricultural Cooperation	16
XIII. Agricultural Development Law Of 1980	18
XIV. The National Food Program 1983-88	19
XV. Economic Development and the Current Economic Climate	20
XVI. The Market Situation And Outlook For Commodities	26

APPENDIX

Table 1	Basic Indicators	33
Table 2	Economic and Statistical Profile of Mexico	34
Table 3	Mexican and U.S. Foreign Trade	36
Table 4	U.S. Agricultural Exports - Top Ten Country Markets By Value, Fiscal Years 1982 And 1983	37
Table 5	U.S. Agricultural Exports - Top Ten Export Commodities to Top Ten Country Markets in Fiscal 1983	38
Table 6	Principal Mexican Crop Production And Area, 1982-83	39
Table 7	Mexican and U.S. Livestock And Poultry Numbers	40
Table 8	Mexican Agricultural Commodity Support Prices	41
Table 9	Mexican and U.S. Support Prices, 1984	42
Table 10	Selected U.S. Agricultural Exports, Jan-Dec. Cumulative	43
Table 11	Selected U.S. Agricultural Imports, Jan-Dec. Cumulative	44
Table 12	Two-Year U.S. Export Trade Report, CY 1982-1983	45

Major Agricultural Production Areas and Ports in Mexico



THE UNITED STATES EMBASSY IN MEXICO

The United States Embassy in Mexico is headed by an Ambassador, the President's personal representative. The Ambassador directs all Embassy activities. The second-ranking officer of the Embassy is the Deputy Chief of Mission, who acts as the Charge d'Affaires in the absence of the Ambassador.

Representatives of many agencies of the United States Government are on the staff of the Embassy, including the Departments of State, Agriculture, Treasury, Justice and Commerce, the International Communications Agency, Drug Enforcement Agency, Bureau of Customs, Immigration and Naturalization Service, and the military services.

The Counselor for Agricultural Affairs is the senior U.S. Department of Agriculture official in Mexico. He and his staff are assigned by the U.S. Secretary of Agriculture to the Embassy to represent him and to advise the Ambassador on matters relating to all U.S. agricultural interests. Under the direction of the Ambassador, they coordinate the representation of U.S. agricultural and related industry interests in Mexico. Their major responsibilities are: commodity and market analyses; reporting on trade and agricultural policy; and promoting markets for U.S. agriculture. They continuously review Mexican agricultural policies and programs and through the Ambassador, advise the Secretary of Agriculture, the Under Secretary of Agriculture for International Affairs and Commodity Programs, and the Administrator of the Foreign Agricultural Service, as well as other interested agencies of the U.S. government on problems and opportunities created by those policies and programs. This information is disseminated by the U.S. Department of Agriculture for use by U.S. producers, importers and exporters of agricultural products in planning their production and marketing programs. The Counselor and staff also recommend positions which should be taken in discussion with the Government of Mexico with a view to encouraging modification of policies which are detrimental to U.S. agricultural trade interests.

Correspondence should be sent to:

Counselor for Agricultural Affairs
American Embassy
P.O. Box 3087
Laredo, Texas 78044

The telephone number for the U.S. Embassy in Mexico City is (905) 211-0042. Extensions for the Counselor and his staff are:

Counselor	Ext. 3753
Agricultural Attache	Ext. 3751
Agricultural Attache	Ext. 3752

The telex numbers of the Embassy are: 01773091
01775685

U.S. MARKET DEVELOPMENT ACTIVITIES

The market promotion and development activities of the Embassy's agricultural staff are wide-ranging. For example, the Office of the Agricultural Counselor acts as a catalyst for developing Mexican-U.S. trade. This is done through Trade Leads (formerly called TORS) of the Agricultural Information and Marketing Service (AIMS) of the U.S. Department of Agriculture. Trade Leads help buyers of foods and other agricultural products in Mexico contact appropriate U.S. suppliers. There is no charge for this service. This system is the fastest and most effective way to advertise requests for food and agricultural products in the U.S.A. When a potential buyer in Mexico wants bids or information from a U.S. exporter about some particular agricultural product, he describes his needs to the Office of the Agricultural Counselor. His request is telegraphed to Washington, D.C. for processing through the computer, which maintains voluminous lists of food and agricultural product exporters. The computer transmits his request directly to U.S. exporters of the agricultural product he desires. The interested U.S. exporters respond directly to him sending the product information and quotations he has requested.

CONTACTS, a monthly trade bulletin published by the Foreign Agricultural Service of the USDA, is the counterpart of Trade Leads. It publishes trade announcements of U.S. commercial firms that wish to export their products. The announcements, which appear in the words of the firms, describe the firms and the products offered including their characteristics, uses, container sizes, shipping and packing practices, name of company contact, address, and telex and telephone numbers. Although the USDA does not guarantee the reliability of the firms or endorse the products, it does assist in publicizing the trade announcements to foreign firms who may be potential importers. Importation of the products, of course, is subject in any case to the regulations and label clearance procedures of the importing country.

Finally, the Foreign Agricultural Service promotes commercial exports by conducting a market development program abroad jointly with agriculturally oriented, non-profit associations known as market development cooperators, which represent specific commodity interests and carry out market development functions. FAS works with more than 50 of these associations, which in turn work with approximately 1,600 overseas organizations, 1,500 U.S. cooperatives, and more than 7,000 private U.S. firms.

The cooperator program uses two basic approaches to market promotion. One of them is trade servicing, which means helping the buyer choose the right U.S. product and use it efficiently. Trade servicing is usually used to encourage sales of bulk, unprocessed commodities such as soybeans and grains. The other method is direct promotion, used by cooperator and State groups representing producers of semiprocessed and processed products. The advantage of a cooperator program is that it

permits government and private industry to pool expertise and funds so that each gets more mileage out of its market development efforts.

FAS sponsors overseas trade shows featuring U.S. food products, in-store promotions of U.S. foods, and U.S. sales team visits to foreign buyers. FAS also has a new product and label testing system for U.S. sellers who want to try a foreign market.

The Embassy's agricultural staff works closely with agricultural cooperators in a wide variety of promotional and technical assistance activities. Some examples of these activities are assistance to millers and bakers in using U.S. grains to turn out products that meet the requirements of their consumers, displays at various fairs and exhibits, supplying judges for shows and expositions, and arranging conferences, seminars and meetings among U.S. suppliers and Mexican buyers and consumers. Since most of these activities are partially funded by the USDA, under contractual agreements with the cooperators, the Agricultural Counselor has an important ombudsman's role, as well.

Among the cooperators this office works with are:

Cotton Council International
U.S. Wheat Associates
Michigan Bean Shippers' Association
Rice Council for Market Development
U.S. Feed Grains Council
USA Dry Pea and Lentil Council, Inc.
Appaloosa Horse Club
American Quarter Horse Association
Brown Swiss Cattle Breeders' Association Inc.
Holstein-Friesian Association of America
National Renderers Association, Inc.
U.S. Beef Breeds Council
American International Charolais Association
Beefmaster Breeders International
International Brangus Breeders' Association, Inc.
Santa Gertrudis Breeders International
American Hereford Association
American Polled Hereford Association
American Angus Association
American Brahman Breeders' Association
American Soybean Association
American Seed Trade Association
National Association of Animal Breeders
National Sunflowerseed Association

U.S. Wheat Associates, American Soybean Association and U.S. Feed Grains Council have offices in Mexico City, reflecting the importance of Mexico as a market for their products.

III

A PRIMER FOR MARKETING AGRICULTURAL PRODUCTS IN MEXICO:

UNDERSTANDING THE PROBLEMS CAN HELP

Interest in Mexico as a market for U.S. agricultural products has grown markedly in recent years among U.S. producers and exporters. Mexico's proximity to the United States, the fact that U.S. farm and food exports have spurted since 1978, and the impression prior to the economic crisis that

Mexico could pay for the imports with its growing oil revenues all combined to make Mexico one of the most attractive developing markets in the world. This chapter is intended to advise American traders interested in entering the Mexican market for the first time, and to minimize their chances of a disappointing promotional venture. It is our hope that this and subsequent sections of the handbook will provide some insight into the problems and pitfalls of trading with Mexico.

Mexico's agricultural import policy has long reflected a strong desire to import only that which is required to assure adequate domestic food supplies. The recent economic crisis has strengthened this tendency. This explains the reluctance to issue import permits for products which in any way compete with domestic production, unless that production is insufficient to meet demand. It also explains why most of the increase in U.S. farm exports to Mexico has occurred in commodities whose output was adversely affected by poor weather and/or reduced cultivation in recent years.

The legal process which must be carried out by a Mexican importer of agricultural products is described in another chapter. However, the negative impact of these requirements on trade is much greater than one would initially expect. An import license is required for nearly all food products, and it must specify the quantity of goods involved. Requests for these permits are generally refused or, if granted for one shipment, may be refused for subsequent shipments. This dampens an importer's enthusiasm and his willingness to spend time, money and effort to file for such a permit. Consequently a U.S. seller often cannot entice an importer into a business relationship - an essential first step. A further complication is a kind of overkill where an importer who has once dealt in a specific agricultural commodity thereafter is inundated with visitors and inquiries by letter. Thus, it may be impossible to obtain appointments with such importers who have already been worked over by several other Americans - a fact that is difficult to explain to many U.S. exporters.

When planning a trip to Mexico to contact Mexican buyers of agricultural products, the following suggestions and background may be useful:

- (1) Read carefully the portions of this handbook devoted to Mexican import policies and regulations;
- (2) Review the list of items currently being imported and those which this office judges to have market development potential; remember that most basic commodities such as grains, oilseeds, beans, and non-fat dry milk are purchased on a tender basis by the government, as described in more detail in another chapter;
- (3) Contact this office by letter or by phone in advance of travel preparations for final comments on the importability of the products of interest and the chances of making contact with Mexican importers;

- (4) The resources of this office and the large number of visitors seeking assistance prevent us from making appointments with Mexican officials or traders for individuals. We do perform this service for official trade missions, such as state Departments of Agriculture or commodity associations;
- (5) State trade missions and commodity association groups should coordinate their travel plans through the appropriate commodity division in the Foreign Agricultural Service (FAS), Washington, D.C. If the responsible person in that division is unknown, the initial contact should be with the Western Hemisphere Area Officer of FAS (Tel. 202-475-4061). Timing of such visits is critical. Trade teams with the same or similar interests should not follow on the heels of each other. They frequently require special meetings with ranking officials and field trips to producing, processing and distribution sites. Repeating these arrangements with the same persons can result in an imposition to Mexican officials and can be counterproductive;
- (6) Mexican officials have no obligation to meet with any individual or group, even if the appointment has been requested through the Embassy. Mexican officials involved in the process of deciding whether or how much of a particular commodity should be imported, are normally high level individuals and feel that making time for such meetings are demands on their time. Granting an appointment, therefore, is a courtesy;
- (7) No more than three appointments per day should be planned, and at least one may be cancelled at the last minute. The difficulty in scheduling more than three appointments per day is due to the working hours of most offices (approximately 10:00 AM to 3:00 PM and 5:00 PM to 7:30 PM) and to traffic tie-ups;
- (8) Field trips to producing areas around Mexico City are very difficult except in unusual circumstances. The city has a population of 16 million people and is surrounded by mountains. Some types of dairy or poultry establishments can be visited during a full day's excursion, but the major livestock producing areas and nearly all crop areas are far from Mexico City;
- (9) Many Mexican contacts may not speak English. Therefore, travel arrangements should provide for an interpreter, if necessary. The major hotels often can provide or recommend interpreters. The Embassy is unable to offer this service. Written or telephone communication in Spanish with new Mexican contacts will receive a much more favorable response than if done in English;
- (10) Before approving a request for import permits, the Mexican government consults domestic producers of the same or similar products. Generally, the perception of what products

compete with domestic production is quite liberal. A request for an import permit will often be rejected if the product in question is only remotely similar to a domestically produced one;

- (11) Many canned and processed foods and meats, which show up in U.S. trade statistics as exports to Mexico, in fact move into the so-called "free-zones" along the U.S. border. They are not considered by Mexico as having been imported into the interior of the country. The free-zone market consists principally of the small, Mexican border cities adjoining U.S. border towns and U.S. exports mainly supply grocery outlets on the Mexican side. The market as a whole is not large, but for many food items it represents the only possibility of sale to Mexico. American Chambers of Commerce in the U.S. border cities may be able to provide lists of contacts on the Mexican side. Checkpoints inside the free-zones inspect all vehicles to ensure that they do not illegally transport food items outside the free zones;
- (12) Generally speaking, the same import requirements apply to imports of product samples as to commercial shipments. This means that an import license should be obtained and duties paid on samples. In some cases health permits must also be obtained. The Embassy can assist official trade missions to bring in product samples but only for Embassy-sponsored functions. To do so, this office must receive information concerning the type and quantity of samples to be brought into Mexico, so that the Embassy can request a "free entry" permit no later than 2 months prior to their arrival. Participants in trade shows can only bring in product samples if the show organizers obtain import permits for them. Firm assurance should be obtained from the organizers that they will assist in the importation of samples before paying any exhibitor fees. Small quantities of samples carried in personal baggage may be allowed into Mexico at the discretion of the Mexican customs official on duty.

IV

MEXICAN GOVERNMENT REQUIREMENTS FOR IMPORTS OF FOOD, AGRICULTURAL AND LIVESTOCK PRODUCTS

Permits

Permits or licenses are required for virtually all food, agricultural and livestock imports. All applications for import licenses must be filed by the Mexican importer with the Mexican Secretariat of Commerce at:

Secretaria de Comercio y Fomento Industrial
Direccion General de Controles al
Comercio Exterior
Avenida Cuauhtemoc 80-Planta Baja
06760 Mexico, D.F., Mexico

SECOFIN (Secretariat of Commerce and Industrial Development) bases its decision on import requests on opinions requested from various SARH (Secretariat of Agriculture) agencies such as Direccion General de Economia Agricola (Directorate General for Agricultural Economics), Direccion General de Sanidad Vegetal (Directorate General for Plant Sanitation), Comision Nacional de Fruticultura (National Commission for Fruit Promotion), Productora Nacional de Semillas (National Seed Production Corporation), Comité Calificador de Variedades de Plantas y Semillas (National Plant and Seed Varietal Certification Committee), etc., depending on the nature of each petition.

The Secretariat of Commerce and Industrial Development asks CONASUPO, the governmental buying agent for basic commodities, to decide whether, by whom, and what quantities of basic commodities such as grains, oilseeds, beans, and non-fat dry milk should be imported.

In the case of all livestock and livestock products, SECOFIN always requests an opinion from the Under-secretary of Livestock, the Mexican National Cattlemen's Confederation, Direccion General de Ganaderia (Directorate General of Livestock), Direccion General de Sanidad Animal (Directorate General of Animal Sanitation), and Direccion General de Economia Agricola (Directorate General for Agricultural Economics).

The most convenient and expeditious means for soliciting and obtaining an import license is to designate a local, Mexican representative, who can act on behalf of the U.S. exporter. In fact, a formally designated agent or representative is required by Mexican law for label registration purposes (see below). A list of potential importers of a variety of food products is included in Chapter VIII.

Quality and Packaging Norms

Most of the quality standards and packaging requirements in force for food and agricultural products are drawn from USDA requirements. But minor deviations for individual products should be specified by the Mexican importer.

Shipping Documentation

In most cases, shipping documentation will consist of a commercial invoice, a bill of lading, and a certificate of origin issued by USDA or other appropriate U.S. Government agencies. In some instances, the latter certificate must be visaed by a Mexican Consulate in the U.S. This is the responsibility of the exporter.

Label Requirements

Label requirements for canned foods and food additives are established by the Mexican Health Department. An authorized Mexican representative of the foreign shipper is required to register the commodity with the Mexican Health Department by submitting labels, pictures, brochures and a general products description. An original label in

English with the avoirdupois weight system is acceptable if it is accompanied by a translation in Spanish indicating weight and volume in the metric system. The label should also indicate the name and address of the U.S. exporter's local representative. The Health Department's address is:

Secretaria de Salubridad y Asistencia
Direccion General de Control de Alimentos,
Bebidas y Medicamentos
Liverpool 80
06600 Mexico, D.F., Mexico

Sanitary Requirements

For some products, phytosanitary certificates and/or health tests are required. It is the importer's responsibility to comply with the regulations affecting these certificates and tests. The regulations are issued by the Direccion General de Sanidad Animal (Directorate General of Animal Sanitation) for livestock products, and by the Direccion General de Sanidad Vegetal (Directorate General of Plant Sanitation) for agricultural products.

V

SELLING GRAINS AND OILSEEDS TO MEXICO

The Mexican government has traditionally exercised strict control over the export and import of agricultural products. Import licenses have been required for most agricultural items. Duties and official prices for duty valuation were set at high levels, which tended to reduce trade flows. The government supply agency, CONASUPO, a dependency of the Secretariat of Commerce, had acted as the sole importer of grains, oilseeds and products.

With the beginning of the economic crisis, Conasupo's predominance in agricultural imports role has expanded. Tighter import permit control and exchange restrictions beginning in late 1982 have severely restricted non-Conasupo imports. Further, the use of CCC credit guarantees for the major share of Mexico's agricultural import needs has led to an expanded role for Conasupo and other agencies involved with Mexican import policy. For three years prior to 1983, Conasupo held its public tenders in Washington. Following the onset of the economic crisis, the tenders were moved to Mexico City partially as a means to cut Conasupo's administrative costs. Conasupo tenders will continue to be held in Mexico City for the foreseeable future.

Mixed committees have been established by the Ministry of Commerce to purchase and import all basic agricultural commodities. These committees consist of one representative of the Secretariat of Commerce, one from CONASUPO and one from the appropriate private trade association. The committees provide the framework for the formulation of all import decisions and purchase in the name of and for the account of the private industrial sector.

CONASUPO will continue to import certain quantities of oilseeds and grains to supply firms operating under public management and very small private processors. Even though most purchases are now made on a tender basis, the Government of Mexico maintains that this system is not its first preference and that whenever possible imports will be secured on a government-to-government basis or by direct negotiations with foreign private suppliers.

U.S. grain suppliers who wish to offer their products to Mexico, particularly those not represented in Mexico, are encouraged to participate in Conasupo tenders by obtaining a representative. The U.S. Department of Agriculture, in cooperation with the Government of Mexico, assists by notifying the U.S. trade of such opportunities. Only firms which are registered with and authorized by the Mexican government are eligible to participate in such purchases. In most cases U.S. grain suppliers elect to employ an experienced Mexican agent to represent them in such cases. We have attached a partial list of Mexican companies that have expressed a desire to represent U.S. grain producers and to assist them to market their commodities in Mexico.

Under special circumstances, the Government of Mexico may negotiate directly with U.S. suppliers or grant a commission to a private company to import directly. In these situations, the Embassy can serve as a source of information for the importer. Therefore, U.S. companies interested in exporting grains and oilseeds to Mexico may write to the Office of the Counselor for Agricultural Affairs at this Embassy, indicating which commodities they wish to export to Mexico. This information would then be provided to the Government of Mexico and private individuals upon request.

VI

SELLING LIVESTOCK TO MEXICO

Buyer-Seller Contact

Livestock may be imported into Mexico by either private buyers or by government agencies. Well-established private importers including producers themselves often travel to the U.S. to select and purchase livestock directly. These people normally have purchased cattle in the U.S. before and have developed an on-going business relationship with one or more American cattlemen. Mexicans interested in buying and Americans interested in selling livestock who have not established such a relationship can be brought together by several ways. One is for the American supplier to advertise his animals in the USDA "Contacts" circular, which is described in another section of this handbook. Another is for him to contact one of the many private livestock export firms in the U.S. and let them make the contact and the sale. A more direct contact can be made by writing to the Office of the Counselor for Agricultural Affairs in this Embassy and requesting a list of Mexican producers, importers, government agencies and others involved in livestock trade. (A portion of such list follows this section.)

Mexican livestock producers who wish to establish contacts in the U.S. also have several options. They can enlist the services of Mexican importers who have already established links with suppliers in the U.S. They can request assistance from their domestic breed associations, who often also have well established relationships in the U.S.; or they, too, can utilize the service of this office either to supply lists of U.S. suppliers or to advertise their request through the AIMS system (see the section describing AIMS in this handbook).

Legal Requirements

Whether a sale/purchase is concluded through travel by the importer to the U.S. or arranged long-distance, animals cannot be physically imported into Mexico until all the pertinent Mexican government import requirements are met and the importer has been issued a valid import license. These requirements are outlined in the previous section. The fulfillment of these requirements is the responsibility of the Mexican importer or his designated representative. The exporter for his part must meet U.S. government health regulations to allow shipment of animals within the U.S. and overseas. Exporters should contact the local USDA veterinarian in their area for more details on this requirement.

To avoid problems and delays at the border, it is recommended that the negotiated sales contract provide for payment by one of the following means prior to the shipment of the animals: (1) an "order of payment" (a direct transfer of money by wire), (2) a bank draft on a U.S. bank delivered to the seller prior to shipment, or (3) an irrevocable confirmed letter of credit. Although less desirable, payment at the border may be requested when purchases are made by a government agency, for instance the Banco Nacional de Credito Rural (BANRURAL). In all cases, the seller should establish himself as a reliable supplier by making sure that what he is delivering meets the terms and specifications laid down in the purchase order, and, if the purchaser travels to the U.S. to select his stock, that those he selected are those that are shipped.

INDIVIDUALS, ASSOCIATIONS AND GOVERNMENT AGENCIES INVOLVED IN LIVESTOCK IMPORTS

GENERAL (Most Types of Livestock and Livestock Products)

Confederacion Nacional Canadara
Mariano Escobedo 714
11560 Mexico, D.F., Mexico

Coordinador General Canadero
Banco Nacional de Credito Rural, S.A.
Insurgentes Sur 1188, 2o Piso
03900 Mexico, D.F., Mexico

Industrial de Abastos, S.A. de C.V.
Av. de las Granjas 800
02000 Mexico, D.F., Mexico

Camara Nacional de la Industria
de la Curtiduria
Tehuantepec 255-Piso 1
Mexico, D. F.

Asociacion Nacional de Empacadoras
TIF
Reforma 95-406
Mexico, D.F. 06030
Mexico

1. DAIRY

Direccion General de Normatividad
Genetica y Reproduccion
Secretaria de Agricultura y Recursos Hidraulicos
Calle Recreo 14 Piso 13
Col. del Valle
03100 Mexico, D.F., Mexico

Asociacion de Criadores Holstein-Friesian de Mexico
Apartado Postal 258
Queretaro, Queretaro
Mexico

Asociacion Mexicana de Criadores de Ganado Suizo
de Registro
Andalucia 162, Col. Alamos
03400 Mexico, D.F., Mexico

Programa Descentralizacion de las Explotaciones
Lecheras del D.F. (PRODEL)
Banco Nacional de Credito Rural, S.A.
Hamburgo 31 Piso 2
06600 Mexico, D.F., Mexico

Ganaderos Productores de Leche Pura, S.A.
Km. 37-4 Autopista Mexico-Queretaro
Apdo. Postal 80
C.P. 54800, Cuautitlan, Edo. de Mexico
Mexico

Pasteurizadora La Laguna, S.A. de C.V.
Apdo. Postal 235
Gomez Palacio, Dgo.

2. BEEF

Asociacion Mexicana de Criadores
de Ganado Brangus
Rosales No. 1310
Chihuahua, Chih.

Asociacion Mexicana de Criadores de Cebu
Calle Naranjo 1006, Esq. con Roble
Apartado Postal 992
Col. Aguila
Tampico, Tamaulipas
Mexico

Asociacion de Criadores de Ganado Charolais
Mexicano
Zuazua 919 Sur. Desp. 103 y 104
Apartado Postal 934
Monterrey, Nuevo Leon
Mexico

Asociacion Hereford Mexicana Nacional de Registro
Calle Victoria 114 - 101
Chihuahua, Chihuahua
Mexico

Asociacion de Criadores de Ganado Aberdeen Angus
de la Republica Mexicana
Rosales 1319
Chihuahua, Chihuahua
Mexico

Asociacion de Criadores de Ganado Santa Gertrudis
Apartado Postal 743
Sucursal de Correos B
Monterrey, Nuevo Leon
Mexico

3. SWINE

Asociacion Mexicana de Criadores de Ganado Porcino
de Registro
Ninos Heroes 3018 A, Jardines del Bosque
Guadalajara, Jalisco

Union Nacional de Productores de Cerdo
Leibnitz 47-203
11570 Mexico, D.F.
Mexico

Asociacion Mexicana de Reproductores
de Ganado Porcino de Registro
Prolongacion Juarez 2504
Leon, Gto.
Mexico.

Departamento de Porcicultura
Direccion General de Fomento Ganadero
SARH
Lope de Vega 125
11550 Mexico, D.F., Mexico

Mezquital del Oro, S.A.
Director Area Ganadera
Apdo. Postal 138
Hermosillo, Son
Mexico Telex: 058-853

Bachoco, S.A. de C.V.
Apdo. Postal 215
38000 Celaya, Gto.
Mexico
Telex: 12836

4. POULTRY

Union Nacional de Avicultores
Medellin 325
Col. Roma
06760 Mexico, D.F., Mexico

Mezquital del Oro, S.A.
Director Area Ganadera, Apdo. Postal 138
Hermosillo, Son.
Mexico
Telex: 058-853

Bachoco, S.A. de C.V.
Apdo. Postal 215

38000 Celaya, Gto.
Mexico
Telex: 12836

Direccion General de Fomento Ganadero
Secretaria de Agricultura y Recursos Hidraulicos
Lope de Vega 125
11550 Mexico, D.F., Mexico

Asociacion de Avicultores del Valle de Mexico
2a. Cerrada de Antonio Maceo 7 - 108
11800 Mexico, D.F., Mexico

Union de Introdutores de Aves
Av. de las Granjas 772 Piso 2
02000 Mexico, D.F., Mexico

5. SHEEP

Secretaria de Fomento Agropecuario
Gobierno del Edo. de Puebla
Calle 31 Ote No. 106
Puebla, Pue.
Mexico

Fideicomiso para la Produccion, Industrializacion y
Comercio de la Lana
Sur 71-A 203
Col. Justo Sierra
09460 Mexico, D.F., Mexico

Departamento de Ganado Ovino
Direccion General de Fomento Ganadero
Lope de Vega 125
11550 Mexico, D.F., Mexico

Instituto Nacional de Ovinos y Lanas
Apartado Postal 885
San Luis Potosi, San Luis Potosi
Mexico

6. GOAT

Secretaria de Fomento Agropecuario
Gobierno del Edo. de Puebla
Calle 31 Ote. No. 106
Puebla, Pue.
Mexico

Departamento de Ganado Caprino
Direccion General de Fomento Ganadero
Lope de Vega 125
11550 Mexico, D.F., Mexico

7. HORSES

Asociacion Mexicana de Criadores de Caballos
Cuarto de Milla
Canal Nacional 2068, Col. Valle del Sur
Mexico, D.F., Mexico

Asociacion Nacional de Criadores de Caballos Pura
Sangre, A.C.
Av. Conscriptos S/N, Zona de Caballerizas
Hipodromo de las Americas
05300 Mexico, D.F., Mexico

MAJOR LIVESTOCK PUBLICATIONS

"Mexico Ganadero"
Confederacion Nacional Ganadera
Calzada Mariano Escobedo 714
11560 Mexico, D.F., Mexico

"Criador"
Av. Nevado 112-13
Col. Portales
Delegacion Benito Juarez
03300 Mexico, D.F.
Mexico

"Ganadero"
Insurgentes Sur 1180 - 502
03900 Mexico, D.F., Mexico

"El Campo"
Publicaciones Armol, S.A.
Mar Negro 147
11400 Mexico, D.F., Mexico

"Agro-Sintesis"
Indianapolis 4-501
Col. Condesa
06140 Mexico, D.F., Mexico

"Sintesis Porcina"
Indianapolis 4-501
Col. Condesa
06140 Mexico, D.F., Mexico

"Sintesis Avicola"
Indianapolis 4-501
Col. Condesa
06140 Mexico, D.F., Mexico

"Mexico Holstein"
Indianapolis 4-501
Col. Condesa
06140 Mexico, D.F., Mexico

"Mi Mascota"
Indianapolis 4-501
Col. Condesa
06140 Mexico, D.F. Mexico

NOTE: The agencies and associations listed above, although not necessarily importers themselves, are excellent sources of information about who in Mexico may be importing or may be interested in importing livestock at any given time. The list is as complete as possible and any omissions are inadvertent and not intended to discriminate in any way against other importers. While the individuals and organizations listed enjoy excellent reputations, the Embassy can assume no responsibility for their performance or for the reliability of contacts they might recommend.

SELLING TO THE BORDER FREE ZONESGeneral

The Mexican free zones encompass the States of Baja California Norte, Baja California Sur, Quintana Roo, northwest Sonora, and the "Frontera Norte and Frontera Sur" or north and south border regions. The latter two regions include the area within 20 kilometers of the Mexico-U.S. border and the Mexico-Guatemala border in the Mexican States of Sonora, Chihuahua, Nuevo Leon, Coahuila, Tamaulipas, Chiapas, Tabasco, and Campeche. At present, the only area considered as a potential U.S. export market is the northern border region. Baja California Sur and Quintana Roo were considered potential markets in the past but, due to economic conditions and monetary and regulatory policies, they are no longer viable markets.

The northern border region, because of its proximity to the U.S. and distance from the interior of Mexico, continues to have strong economic and commercial ties with the United States. The U.S. border cities are important markets for Mexican products. In 1983, the U.S. imported nearly 60 percent of Mexico's total exports. This dominant pattern of trade is only natural considering the more than 2000 miles of border that joins the two countries.

The Mexican free zones continue to enjoy special customs provisions that allow numerous food and agricultural imports prohibited in the interior of Mexico to enter them under a quota system that was established in 1971. However, due to the 1982 peso devaluation and GOM policies that restrict imports, imports of food and agricultural products into the free zones from the U.S. decreased substantially in 1983 and 1984. In 1983, legal imports of food and agricultural products into the Mexican free zones were valued at \$150 million, a 43-percent decrease from 1982. In 1984, imports are estimated at only \$100 million.

The strong value of the dollar relative to the devalued peso, the Mexican Government's import licensing system, and programs to encourage exports to the U.S., have greatly reduced U.S. food and agricultural exports to the Mexican free zones. Nevertheless, effective consumer demand continues to exist in the free zones. The increasing demand for U.S. food and agricultural products along with Mexico's high inflation rate estimated at nearly 60 percent in 1984, has created optimism that the market will soon become more accessible.

Prior to the devaluation, supermarkets in the Mexican free zones stocked up to 50 percent of their inventories in imported U.S. products. Today, most supermarkets carry very few U.S. food and non-food items. The old "Articulos Gancho Program" is now obsolete. Import permits and quotas are granted only for products considered to be absolutely necessary, based on shortages in local production or as an effort to increase local production.

Trade Policy With the Free Zone

In an effort to bring the country out of the severe recession and yet cut the budget deficit, President Miguel De La Madrid since 1982 has begun numerous programs and policies that have reduced real wages, cut inflation, slashed imports and real public spending, and stimulated exports. These programs have emphasized the substitution of local goods and, when shortages occur, imports of only basic commodities and inputs needed to increase local production.

Mexico's current trade policy emphasizes exports. In the past, Mexico's export potential remained under-developed primarily because the peso was chronically over-valued and Mexico's products also were less competitive in terms of quality. When the devaluation occurred, Mexico was forced to look for markets abroad that it had lost within its own depressed economy.

In the free zones, principally the northern "Frontera", major emphasis is being placed by the agricultural sector on developing export markets that would generate dollars. Primary agricultural products being exported to the U.S. include fruits and vegetables, pecans, cattle (steers), and cotton and wool garments. However, the sudden increase in exports has also created a demand for numerous basic U.S. agricultural products including seeds, agricultural equipment, nursery stock, wool, feed and foodgrains, and oilseeds.

Mexico will continue to maintain its restrictive import policy in an effort to limit imports and rebuild its depressed economy. But it will continue to grant special customs provisions to the free zones and make available import permits for numerous food and agricultural products not allowed into the interior of Mexico. If price increases in Mexico keep up with the inflation rate, U.S. goods will once again become competitive and an increase in the number of import licenses issued for the free zones may occur.

Special Customs Provisions

Most of the cities within the free zones are at an economic disadvantage due to their distance and isolation from Mexico City and other metropolitan and economic centers in the interior of Mexico. Therefore, as part of its effort to accelerate the economic integration of the free zones with the rest of the country, the Mexican Government still continues to issue special trade regulations, including those pertaining to in-bond facilities and tariff-free importation of most products for personal use. These are extremely important to established U.S. exporters along the U.S./Mexico border. The monetary controls imposed by the Mexican Government, however, make it difficult to conduct business. Mexican importers cannot purchase dollars from Mexican banks without an authorized import permit. Mexican importers with an authorized permit not only have access to dollars, but can get them at a much lower government-controlled rate. The only other alternatives for Mexican importers are to purchase more expensive dollars from a "casa de cambio" or currency exchange at market value or to arrange a barter agreement.

After the 1982 devaluation, many Mexican importers purchased dollars from the maquiladora industries located within the free zones. Maquiladoras are industries located in Mexico along the U.S. border which import certain products from the U.S. that are assembled and exported back to the U.S. Since the maquiladoras were exporting to the U.S., they received dollars and then exchanged some of the dollars for pesos in order to meet the weekly payroll. Therefore, in lieu of trading at the bank, they traded with local importers at a more desirable rate of exchange. However, the Mexican Government has now implemented policies which prohibit this practice and require the maquiladoras to deposit, one week in advance, sufficient dollars in Mexican banks to meet the following week's payroll. The dollars are exchanged for pesos at the controlled rate.

Economic Promotion Committees

The recently restructured Economic Promotion Committees (Comites de Promocion Economica) continue to function under the direction and guidance of the Intersecretarial Commission for the Development of the Border Areas and Free Zones (Comision Intersecretarial para el Desarrollo de las Fronteras y Zonas Libres). They are located in each of the major cities in the northern border, in Baja California and in Quintana Roo. The local Economic Promotion Committees, in agreement with the Intersecretarial Commission, consider import requests and decide which products are "necessary" and therefore, may be imported. All import decisions are usually made in Mexico City but are based on the Intersecretarial Commission's guidelines. The quantity, or quota, to be imported is generally established by the local committee.

Local Economic Promotion Committees are under the direction of the local representative for the Secretary of Commerce and Industrial Development. Their membership consists of representatives of local agencies within the Intersecretarial Commission.

The Intersecretarial Commission is under the direction of the Secretary of Commerce and Industrial Development (Secretaria de Comercio y Fomento Industrial). Its members include the Sub-Secretary of Foreign Trade (Sub-Secretaria de Comercio Exterior), the Sub-Secretary of Agriculture and Water Resources (Sub-Secretaria de Agricultura y Recursos Hidraulicos), the Sub-Secretary of Finance and Public Credit (Sub-Secretaria de Hacienda y Credito Publico) and the Sub-Secretary of Programming and Budget (Sub-Secretaria de Programacion y Presupuesto).

The representatives for the Secretariat of Agriculture and Water Resources on the Economic Promotion Committees throughout the free zones are excellent contacts. They can provide current information on products being imported, import quotas, import permits, and potential importers. Following is a list of the representatives in the free zones.

Lic. Carlos Lopez
Representante de la SARH ante el Comité de
Promocion Economica
Avenida Juarez 126 Nto
Cd. Juarez, Chihuahua
Telephone: 6-74-71

Sr. Raul Medina
Representante de la SARH ante el Comité de
Promocion Economica
Calle 6, Avenida 11
Agua Prieta, Sonora
Telephone: 8-03-13

Lic. Marcos Osorio
Representante de la SARH ante el Comité de
Promocion Economica
Alvaro Obregon No. 8
Nogales, Sonora
Telephone: 2-79-90

Lic. Luis Alfonso Vizcarra
Representante de la SARH ante el Comité de
Promocion Economica
Avenida Reforma y Calle L.
Mexicali, Baja California Norte
Telephone: 3-58-56

Lic. Oscar Robles
Representante de la SARH ante el Comité de
Promocion Economica
Blvd. Villa Ordaz No. 1515
Tijuana, Baja California Norte
Telephone: 3-25-13

Lic. Austreberto Ramirez
Representante de la SARH ante el Comité de
Promocion Economica
Bravo 1440
Altos Esquina Mexico
La Paz, Baja California Sur
Telephone: 2-79-55

Ing. Ricardo Villarreal
Representante de la SARH ante el Comité de
Promocion Economica
Guerrero y Galeana
Cd. Acuna, Coahuila
Telephone: 2-16-10

Ing. Jose Luis Siller
Representante de la SARH ante el Comité de
Promocion Economica
Zaragoza 407 Sur, Altos
Piedras Negras, Coahuila
Telephone: 2-50-37

Lic. Jose Valentin Salazar
Representante de la SARH ante el Comité de
Promocion Economica
Ojo Caliente 1515
Nuevo Laredo, Tamaulipas
Telephone: 2-13-92

Lic. David Ramiro Rosales
Representante de la SARH ante el Comité de
Promocion Economica
Blvd. Hidalgo 1545 Altos
Reynosa, Tamaulipas
Telephone: 3-06-61

Ing. Horacio Lira Esquivel
Representante de la SARH ante el Comité de
Promoción Económica
Avenida Alvaro Obregón No. 12
Matamoros, Tamaulipas
Telephone: 3-13-47

Lic. Salvador Pérez
Representante de la SARH ante el Comité de
Promoción Económica
B. Elías Calles No. 213
Cd. Chetumal, Quintana Roo
Telephone: 2-27-32

Mechanics of Exporting

Potential Mexican importers of U.S. food and agricultural products must first apply to the local Economic Promotion Committee for an import permit. The local committee, acting under the guidance of the Intersecretarial Commission in Mexico City, determines whether the product is necessary and, if so, whether the importer is eligible to purchase dollars at the government-controlled rate.

The Intersecretarial Commission's recommendations are based on information received from the Secretariat of Agriculture and Water Resources (SARH). The commission establishes an annual list of food and agricultural products eligible for importation. The commission also establishes import quotas based on the recommendations of the local Economic Promotion Committees. In some cases, products eligible for importation are added and quotas are increased by the local SARH representative.

Importers who purchase basic commodities and/or products considered necessary are authorized to purchase dollars at the controlled rate. The importer must present his import permit to bank officials in order to exchange pesos for dollars at the controlled rate. In most cases, the bank pays the U.S. exporter directly, although dollars sometimes are given to the Mexican importer.

Mexican importers not authorized to purchase dollars at the controlled rate normally will have to purchase dollars from a money exchange at the current market rate or higher.

It is important for the U.S. exporter to have a basic understanding of the Mexican importer's needs and circumstances. It is also important to remember that the cost of imported goods has increased five to six times in nominal terms since the peso devaluation in 1982. For example, in 1982, yearling ewes for breeding were being imported from the U.S. for an average price of \$125/head or 3125 pesos/head. At that time the exchange rate was approximately 25 pesos to \$1 U.S. In October 1984, at the controlled exchange rate of 172 pesos to \$1 U.S., the same yearling ewe now costs 21,500 pesos! Even with the increased prices for sheep and barbacoa in Mexico, Mexican sheep producers cannot afford the same volume of business as before the devaluation. The U.S. exporter needs to understand this.

U.S. agricultural producers and/or traders who are considering exporting to Mexico must understand the need for Mexican importers to work with the bureaucracy. Import permits are required for virtually all food, livestock, and agricultural products. Even in the free zones, a Mexican importer must apply for and receive an import permit prior to importing products authorized for the free zones. Normally, it takes four to six weeks to obtain an import permit, but this often varies with the product and the prevailing domestic supply and demand situation. The U.S. exporter is subject to numerous variables that he personally cannot control such as frustrating delays and postponements.

In 1984, approximately \$100 million in food and agricultural products will be imported legally from the U.S. into the free zones. Products that have export potential for the free zones include seeds, sorghum, corn, oilseeds, feed, vegetables, canned goods, vegetable oil, milk, lard, meat, meat by-products, livestock (primarily old ewes, bulls, and cows), wool, skins, hides, nursery stock, and numerous processed food items.

Livestock trade has increased substantially in the free zones. The increase has been primarily in the export of Mexican steers to the U.S. It is anticipated that during the 1984-85 season, Chihuahua will export approximately 180,000 steers, Sonora 135,000, Coahuila 55,000, Nuevo León 25,000, Tamaulipas 15,000 and Baja California Norte 1,000. Export permits for steers could be decreased if the high demand for beef continues in the interior of Mexico.

Livestock exports from the U.S. to Mexico are showing signs of recovery. Old ewes for slaughter are the primary exports along with breeding stock. The demand for packer ewes may increase. The price of carcass mutton has increased in Mexico City and the Barbecue Associations are actively seeking import permits and suppliers in the U.S.

There are several import channels for agricultural products such as grains, feeds, feed ingredients, seeds, fertilizer, agricultural chemicals and agricultural equipment. The main ones are feed and fertilizer stores, commodity brokers, seed companies, implement dealers, flour mills, feedlots, dairies and poultry farms. The Banco de Crédito Rural is also a major importer that has expanded its purchases in the free zones during the past few years.

Banco de Crédito Rural, S.A. Offices in the Free Zones

Banco de Crédito Rural del Pacífico Norte, S.A.
Calle Altamirano 270 Sur
La Paz, Baja California Sur
Phone: 2-33-56

Banco de Crédito Rural del Noroeste, S.A.
Blvd. Díaz Ordaz 390
Tijuana, Baja California Norte
Phone: 6-06-03

Banco de Credito Rural de Noroeste, S.A.
Zuazua 671
Mexicali, Baja California Norte
Phone: 2-80-06

Union de Credito Ganadero del Norte de Sonora, S.A.
Obregon 576
Nogales, Sonora
Phone: 2-01-08

Banco de Credito Rural del Noroeste, S.A.
Calle 2 y Avenida 4
Dept. 5
Agua Prieta, Sonora
Phone: 8-14-05

Banco de Credito Rural del Norte, S.A.
P. Triunfo de la Republica y Avenida del Charro
Cd. Juarez, Chihuahua
Phone: 6-06-40

Banco de Credito Rural del Centro Norte, S.A.
Nuevo Leon S-N
Cd. Acuna, Coahuila
Phone: 2-17-90

Banco de Credito Rural del Centro Norte, S.A.
Emilio Carranza No. 1207-A
Piedras Negras, Coahuila
Phone: 2-03-95

Banco de Credito Rural del Noreste, S.A.
Madero 3313
Nuevo Laredo, Tamaulipas
Phone: 2-21-06

Banco de Credito Rural del Noreste, S.A.
Zona Industrial
Matamoros, Tamaulipas
Phone: 2-08-12

VIII

FIRMS AND ASSOCIATIONS THAT PRESENTLY IMPORT OR THAT HAVE EXPRESSED AN INTEREST IN IMPORTING FOOD PRODUCTS

GENERAL

Sr. Jose Luis Escamilla Puglia, Gerente
Comisiones y Representantes Asociados, S.A.
Av. Morelos 110 Despacho 407
06040 Mexico, D.F., Mexico
Tel.: 546-1887 546-19-21
Telex 017-74446 (JLEPME)

Sr. Jose Luis Uriarte, General Manager
Intercontinental de Mexico, S.A.
Hamburgo 172 Despacho 803
06600 Mexico, D.F., Mexico
Tel.: 533-6922 525-34-53

Sr. Jose Angel Dominguez
Tecnicos Argostal

Av. Jalisco 180
11410 Mexico, D.F., Mexico
Tel.: 515-8580
Telex 017-74208 (ARGOME)

Lic. Eduardo F. Cavazos, Gerente
Amado Cavazos y Cia., S.A.
Av. Madero 20 Despacho 316
06000 Mexico, D.F., Mexico
Tel.: 518-4351 521-80-72 518-49-48
Telex 017-73097 (AMADME)

Ms. Evelyn Villavicencio
Plaza Melchor Ocampo 30-2
P.O. Box 5-280
06500 Mexico, D.F.
Tel. 525-8061/514-2643

Ing. Johan Petterson
Director
AGROTEX
Ave. Durango 243 - Piso 10
06700 Mexico, D.F.
Tel. 533-5876 thru 533-5679
Telex: 017-77-600 (PETEME)

MEAT PROCESSORS

Industrial de Abastos, S.A. de C.V.
Av. de las Granjas 800
02000 Mexico, D.F., Mexico

Iberomex, S.A.
Blvd. Presidente Adolfo Lopez Mateos 991
11800 Mexico, D.F., Mexico

Zwanenberg de Mexico, S.A.
Nicolas Bravo 20
Naucalpan, Edo. de Mexico, Mexico

Empacadora Toker, S.A.
Lorenzo Boturini 433
06800 Mexico, D.F., Mexico

Empacadora Brener, S.A.
Apartado Postal 1978
06000 Mexico, D.F., Mexico

LEADING SUPERMARKET CHAIN STORES

Super Mercados, S.A. (SUMESA)
Calzada Vallejo 980
02300 Mexico, D.F., Mexico
Tel.: 567-3111

Sr. Mariano Melendez, Director de Comercializacion
Sr. Oscar Jose Osorio, Director de Operaciones

AURRERA, S.A. (SUPERAMA)
Av. Universidad 936-A
Colonia Santa Cruz Atoyac
03020 Mexico, D.F., Mexico
Tel.: 534-8380

C.P. Abel Prince Alfaro, Presidente
Lic. Henry Davis, Vice-Presidente
Sr. Antonio Fajer, Dir. Gral. de Almacenes

Gigante, S.A.
Av. Ejercito Nacional 769
11560 Mexico, D.F., Mexico
Tel.: 250-3011

Sr. Luis Santana Castillo, Director General

Comercial Mexicana, S.A.
Fernando Alva Ixtlixochitl 27
06800 Mexico, D.F., Mexico
Tel.: 578-3000, Ext. 135

Sr. Carlos Gonzalez Nova, Director

HOTEL AND RESTAURANT ASSOCIATIONS

Asociacion Mexicana de Hoteles y Moteles de la Republica, A.C.
Balderas 33-414
06000 Mexico, D.F., Mexico
Tel.: 512-9534/510-0748
Lic. Rafael Suarez, Presidente,
Tel.: 525-7043/514-8490
Sr. Manuel Garrido, Gerente (Mexico City Hotels)
Tel.: 518/5349

Camara Nacional de la Industria de Restaurantes y Alimentos Condimentados, A.C.
Rio Tiber 70 - 4o Piso
06500 Mexico, D.F., Mexico
Tel.: 533-0696 thru 533-0698
Sr. Luis Sneider, Presidente

Asociacion Mexicana de Restaurantes, A.C.
Paseo de la Reforma 12 Despacho 404
06050 Mexico, D.F., Mexico
Tel.: 592-3275/535-6491
Lic. Ricardo Rodriguez, Gerente

NOTE: This is a partial list with no discrimination intended against other firms in the business. Although the above firms have reportedly proven to be reputable, the Embassy can assume no responsibility as to transactions that may ensue.

IX

CURRENT MEXICAN IMPORTS FROM THE UNITED STATES

The economic crisis has reduced significantly the number of products imported into Mexico from the United States as compared to 1980-1981 levels. We have included below a list of products that presently are imported and that, in our opinion, should recover their market potential over the next few years. Imports of products that continue to be based on domestic needs, and that remain subject to Mexican government regulations and controls described above, are marked with an asterisk:

Livestock and Livestock Products:

Beef breeding cattle*
Dairy breeding cattle*
(Holstein and Brown Swiss in particular)
Sheep*
Swine (for breeding stock)
Horses, purebred

Baby chicks
Offals, edible*
Tallow*
Lard*
Semen*
Hides and Skins (raw)*
Non fat dry milk*
Whey*
Lactose*
Poultry meat (free zones)
Eggs for hatching*

Agricultural Products:

Corn*
Wheat*
Sorghum*
Barley*
Rice*
Beans, dry*
Soybeans and soy products*
Cottonseed*
Sunflower seed*
Nuts (free zones)
Fruits, dried (prunes, raisins)
Fruit juices (free zones)

X

THE AGRICULTURAL PLANT AND ITS PHYSICAL CHARACTERISTICS

Mexico comprises an area of 197 million hectares, of which the Mexican Government considers about 35 million to be cultivatable, 78 million as range land, 44 million suitable for forestry and the remainder either too dry, too poorly drained, or too steep for any form of food and fiber production. (See topography below.) During the 10-year period 1974-83, total harvested area has ranged from 14.8 million to a high of 19.5 million hectares in 1981, with wide swings throughout the period. Data from Mexico's Secretariat of Agriculture and Water Resources (SARH) puts total harvested area in 1983 at 18.7 million hectares. There are about 35 million hectares of potentially cultivable land in Mexico, according to the best available estimates. Livestock production in 1983 and 1984 remained depressed due to the economic recession and droughts in 1982 and 1983 which reduced pasture yields. As a share of GDP, agriculture declined from 14 percent in 1965 to an estimated 9 percent in 1983 (Includes forest and fishery production).

CLIMATE

Mexico has a wide range of temperatures. In subtropical northwestern and northern Mexico, seasonal temperature changes are more pronounced. Winter temperatures are cool enough for wheat; summers are sufficiently hot and long to grow cotton or corn. Frost occasionally damages corn at high altitudes and at times soil temperatures are too low for proper cotton seed germination. Tropical crops can be grown in the summer along the northwestern coast.

Rainfall patterns, which are determined by topography, location, and seasonal winds, are a major constraint to agricultural production. Only one-fourth of the total land area normally receives sufficient rain for spring/summer cropping and less than 5 percent of the land for winter cropping:

Precipitation is poorly distributed geographically. More than 20% of normal annual rain falls on less than 5% of the land, while nearly 45% of the land in arid and semiarid northern Mexico receives less than 20 percent of total precipitation.

Rainfall is poorly distributed seasonally. About 90 percent of the rain occurs during July through October in many agricultural areas. Unless irrigation is available, most land is idle in the winter.

Rainfall is highly variable. It exceeds or falls short of "normal" by more than 30 to 50% in one out of three years.

Rainfed agriculture, including crop lands, grazing and forest, covers a wide variety of soils and climates, ranging from desert to humid tropics. In terms of public investment, the rainfed areas have been largely neglected; over the past three decades, nearly 90% of public expenditures in the agricultural sector went for capital and current costs in the irrigated areas. However, rainfed agriculture still accounts for over 70% of the cropped area, and up to 50% of the value of agricultural output.

The rate of expansion of irrigated areas, once the most important underlying factor in the rapid increase of agricultural production in Mexico, has slowed in recent years. Between 1952 and 1965, the area harvested under irrigation went up from 1.5 million hectares to 3.5 million hectares (an increase of about 150,000 hectares/year) but the expansion slowed between 1965 and 1979 to about 100,000 hectares/year. The scope for opening up new irrigated lands under large-scale schemes is becoming smaller and such development is becoming more difficult and less cost effective. The rate of increase in crop production per unit area has also slowed down due mainly to prevailing economic conditions, lagging technical innovation and application, and to inadequate maintenance. As a result, more emphasis will probably be given to rehabilitation of existing irrigation areas, the development of more small-scale (local) irrigation programs, and to the upgrading of technical services in both ongoing and new projects.

Government policy has tended increasingly to favor rainfed agriculture in recent years. The reasons are threefold. First, in areas of adequate rainfall (above 700 mm annually) there is still an important potential for increased productivity of rainfed crops and livestock through application of available technology and for increased cropped areas through improved drainage. These changes are considered to be lower in average costs than those of large scale irrigation. Second, investments in rainfed agriculture are also considered important for socio-political reasons because they aim to

correct the problems that arise from the population-land imbalance in those areas: rainfed areas produce only 50% of the value of agriculture output, but they comprise 87% of all farmers. Third, the government is particularly concerned about the public and economic effects of the need to import growing quantities of basic staples, specially corn, beans and wheat. Average corn and bean yields have changed little in the last decade, and they constitute 78% of the 11 million hectares planted in the rainfed areas.

TOPOGRAPHY

Mexico's unique topography is the main determinant of its agricultural capabilities. The great plateau -- made up of four sharply contrasting highlands and the associated intermediate slopes -- occupies about 75 percent of the land. Coastal plains account for the rest. Highland elevations and surface configurations influence climate and soil conditions throughout the country. For example, nearly one-third of the land is too steep to cultivate. Although slopes are more moderate on another 40 percent of the land, soil conservation is required to control erosion and prevent soil deterioration. Only 31 million to 34 million hectares -- 15% of Mexico's land area -- are potentially arable. In 1970, nearly 24 million hectares were developed as cropland. Of the 85% of Mexican area not suitable for cultivation, nearly one-half is range and pasture.

SOILS

Nearly 40 percent of the arable land has high or moderate crop production potential with adequate rainfall, irrigation, or water control. The remaining 60% is too steep, too severely eroded, or has other poor physical characteristics restricting potential. Most soils need additional nitrogen and phosphorous for intensive crop cultivation. Although arid and semiarid areas in northern Mexico have the best soil, excessive use of ground water increasingly is causing this soil to become saline and unusable.

HYDROLOGY

Mexico is relatively less endowed with water than many other countries. The Mississippi River, for example, normally has more volume than all Mexican rivers combined. Water resources also are poorly distributed for agricultural use. Nearly all large rivers -- more than one-half of usable water resources -- are located in tropical southern areas, where high annual precipitation causes seasonal flooding. Narrow, short, and steep drainage areas restrict storage capacity and create complex flood control problems. Rivers containing nearly 30% of water resources drain only 10% of the land.

Additionally, water resources are poorly located from the standpoint of economic activity. Only 15% of Mexico's water supply is found in the interior highlands, where 70% of the population, nearly 80% of industrial production, and 50% of developed cropland is located. Because of these handicaps, Mexico in 1970 withdrew only one-third of its

renewable water supply ^{1/} and consumed only 10 percent for all purposes. Irrigation water accounted for about 95% of water consumed. Ground water supplied roughly 15% of all water consumption in 1972.

THE AGRICULTURAL PLANT

Mexico can grow an unusually wide variety of crops and livestock because of a wide range of temperatures. Most types of livestock can be bred and raised throughout Mexico. In the summer at least one food crop can be successfully grown in all regions. In the tropical highlands and coastal plains of central, southern, and southeastern Mexico, agricultural potential is determined by altitude because seasonal changes in temperature are slight. At low elevations equatorial tree crops and tropical crops are cultivated. Above 1,800 meters wheat, deciduous vegetables, and tree crops can be grown in the winter. In the summer cotton can be grown in 60% of the tropical area and corn and other less demanding summer crops in 80% of the area.

On the basis of resources, public and private investment, and productivity, Mexico can be divided into the seven regions shown in the tables above.

Population and agricultural activity have been concentrated in the Center where there is a relatively favorable climate and fertile land. Almost one-fourth of Mexico's arable area and 45% of the agricultural labor force are located in the Center. Small farms growing corn and dry beans dominate the region. Ample rain and naturally fertile soil produce acceptable yields with only moderate help from irrigation, improved seeds, and fertilizer. Agricultural activity is intense, and this area has the highest ratio of cropland to arable land in the country.

Although arid and semiarid conditions predominate in the northern regions, heavy public investment in irrigation and other infrastructure has made the North Pacific region the chief enterprise of Mexican agriculture. Nonetheless, water usage is highly inefficient, largely because subsidized water charges and land tenure disputes discourage private investment to repair and modernize irrigation canals. The Northeast's vast semiarid pastureland makes it a center of commercial livestock production. Limited development of irrigation facilities in the Central North has made crop agriculture much less versatile and price-responsive than elsewhere in the North.

Agriculture in the three tropical regions is poorly developed despite good potential. The Central Gulf is the most advanced of these regions, and its crop agriculture is more diversified than in any other area except the North Pacific. Even so, more than

^{1/} Renewable water supply refers to water which can be used without lowering the water table by tapping ground or subsurface water.

one-half of the cropland in the Central Gulf is affected by a high risk of flood damage because of inadequate spending on water control projects. Rainfed agriculture on subsistence plots characterizes the heavily populated South Pacific. The region's physical characteristics are especially diverse. Most farmers cultivate corn and graze livestock herds on steep, badly eroded slopes, while commercial farmers cultivate such crops as cotton, coffee, and rice along the coastal plain. The Yucatan Peninsula has the least favorable climate and soil for crop production in the tropical regions.

Agricultural productivity varies widely depending on the extent of commercial farming, public investment, farm size, and the use of modern inputs. Worker productivity in the North Pacific, and the Northeast is nearly triple the national average. In the North Pacific, extensive irrigation, intensive use of fertilizers, and large private operations with access to scarce credit have pushed cropland productivity to twice the national average. In the Central North, a lack of water and good land holds crop output to half the national average while labor productivity is slightly below the average. In the potentially rich Central Gulf, land and labor productivity are below national norms, largely because of inadequate flood-control infrastructure. In the Center, South

Pacific, and Yucatan Peninsula areas, worker and land productivity are well below the national average because of the large number of small holdings, the large and technologically backward rural labor force, and the inadequacy of government spending for irrigation, flood control, training, and provision of credit.

XI

AGRARIAN REFORM, LAND TENURE, AND RURAL DEVELOPMENT

There are more petitioners for land distribution than there is land to be distributed. This is the nub of the land ownership problem. Mexico has had a deep historical interest in agrarian reform. The history of land reform in Latin America began with Mexico and the Revolution of 1910. That revolution began in the rural areas, and one of its battle cries was "Land and Liberty". This slogan brought thousands of campesinos to the side of the revolutionaries and tipped the scale in their favor. One of the first steps the new revolutionary government undertook was to begin to make good on its promise to redistribute the land. On January 6, 1915, the Carranza government issued the decree that was the beginning of the agrarian reform program. This program was later incorporated into the Constitution of 1917.

The original law allowed for the distribution to a community of the lands it had formerly owned, or allowed for the expropriation of land within a seven-kilometer radius of a village. It also stated that land could not be expropriated (made it "inaffectible") if it was within certain limits: 100 hectares of irrigated land; 200 hectares of unirrigated land; 150 hectares of cotton; 300

hectares of bananas, sugarcane, coffee, cacao, fruit trees, henequen and a few other perennial crops; or the amount of land necessary to maintain 500 head of cattle. This did not necessarily mean that land in excess of these amounts would be expropriated. In fact many properties are still in excess of these figures. But it did make the larger units subject to expropriation if a request were made by a legally qualified village within the seven-kilometer radius mentioned above.

The term "ejido" (from the Latin word "exitus", "outside") was adopted for land affected by the law because the original ejido lands were on the outskirts of town. So the land itself took the name ejido, a term that later came to mean a community established on land that had been expropriated. People who live on the land are "ejidatarios".

In general, under the Ejido Law, if a private property is to be expropriated by the government, the owner is given the right to choose the location of the portion of his land that he is permitted to retain. The land that is taken is given gratis to the recipients for them to work as an ejido, but the government retains title to it. The majority of the ejidos are of the individual type, which means that the ejidatarios work plots individually. The plots cannot be sold or rented out, but they remain in the custody of the individual for life, provided he continues to work the land. He can bequeath the land to one of his heirs; but if the land is not worked for two consecutive years the government can take it back.

The collective ejidos are just what the name implies: the land is owned in the name of the group and worked collectively. The profits, if any, are divided according to a formula agreed by the members of the "colectivo". Woodlands and pastures in all ejidos, both individual and collective, must be used collectively.

MEXICO: AREA ACCOUNTED FOR BY CENSUS,
BY TYPE OF OWNERSHIP, 1930-70

Census Year	Total	Ejidos	Colonos	Private
-----Thousand hectares-----				
1930	131,594	8,345	6,000	117,250
1940	128,749	28,923	6,069	93,757
1950	145,517	38,894	7,554	99,069
1960	169,084	44,497	8,735	115,852
1970	139,868	60,533	9,191	70,144

Source: Government of Mexico Census Data

Percentage of Distribution

Census Year	Total	Ejidos	Colonos	Private
1930	100.0	6.3	4.6	89.1
1940	100.0	22.5	4.7	72.8
1950	100.0	26.7	5.2	68.1
1960	100.0	26.3	5.2	68.5
1970	100.0	43.3	6.6	50.1

Because there generally tended to be more communities in some areas than there was land to be distributed, it was necessary to offer the option of land in other areas of the country to those villages or individuals who wished it. As a result, several "colonization ejidos" were developed in a number of parts of the country. Unfortunately, a good portion of these have been on land that is of marginal value, and many of the ejidatarios found themselves having to "moonlight" at occupations other than farming in order to make a living.

Another type of landholding arrangement that has arisen out of the agrarian reform procedures is the "colono". These are individuals who are resettled on federally-owned land under government sponsorship and offered the chance to buy the land. They become small landholders after they have discharged their payment obligation. Once they drop from the statistics involved in agrarian reform, they are essentially on their own.

At the time the 1910 Revolution broke out, about 97% of the land in Mexico was owned by 830 people or corporations, two percent was held by about one-half million small and medium-scale farmers, and the remainder by municipalities. Roughly 3.5 million peasants were landless. The 1970 census shows that after a half-century of reform, 2.9 million people owned or had usufructuary rights to land. Unfortunately, the high birth rate had increased the population to such an extent that the number of landless peasants had increased to 4.5 million.

Size Of Holdings, 1970

Size	Percentage of total parcels	Percentage of total area
0-1 ha.	22.8	1.9
1-5 ha.	42.8	17.2
5-10 ha.	22.4	22.9
10-20 ha.	8.5	17.9
20-100 ha.	2.9	19.0
100 ha. and over	0.6	21.0

But the above overall pattern masks the difference in distribution reported for ejidos and for privately held properties:

Size Range	Ejido Lands		Private lands	
	Parcels	Area	Parcels	Area
-----Percentage of total-----				
0-1 ha.	13.3	2.1	34.1	1.6
1-5 ha.	46.1	27.0	34.7	7.6
5-10 ha.	28.2	40.4	12.1	7.4
10-20 ha.	8.4	23.7	9.7	12.9
20-100 ha.	1.0	6.8	7.3	30.0
100 ha. and over	-	-	2.1	40.5

Source: Government of Mexico Census Data

In 1970, there were about 18,000 ejidos, of which about 14,000 were operated on a private or usufruct basis and the remainder on a communal basis, mainly

in the southern part of the republic. Ejido land accounted for over forty percent of agricultural land in the country in that year.

Obviously, the large area in parcels over 100 hectares is due to range land in the northern states. There are some large ejido ranchlands as well, but they constitute a very small percentage of the total.

Regional Distribution Of Ejido Land

Region	1930	1970	1970 percentage
	-----Thousand hectares-----		
Northwest	458	9,493	15.7
North Central	1,984	16,037	26.5
Northeast	258	3,368	5.6
Central-North	1,486	6,542	10.8
Central-West	1,141	8,516	14.1
Central	1,374	3,322	5.5
Gulf South	480	7,004	11.6
Peninsula	1,164	6,269	10.3
T o t a l	8,345	60,533	100.0

Source: Government of Mexico Census Data

The Mexican government is studying possible undertakings that would make life in the countryside more attractive. It is attempting to attract industries of one type or another to rural areas. These would not necessarily be industries that process agricultural products, but emphasis is being given to this type of activity. The major vehicle for these rural development program is PIDER, the Integral Rural Economic Development Program, which coordinates the efforts of a number of Mexican government agencies.

PIDER is partly supported by the World Bank and the Inter-American Development Bank. Since 1973, the GOM has invested over one billion dollars in the program. Five million people live in the 106 microregions covered by the program, with the target beneficiaries being peasant groups (ejidos) located in regions that possess production resources but lack the necessary infrastructure, services, and social organization to launch or speed up their development. PIDER provides assistance only for rural communities which have more than 300 inhabitants but fewer than 3,000.

PIDER's primary objective is to provide investment and services in selected rural areas in order to:

- raise rural incomes and living standards by introducing directly productive activities;
- increase levels of permanent and temporary employment;
- strengthen supporting infrastructure for productive activities and to improve social infrastructure; and
- help bring about a more equitable distribution of the social product through a better balance between development of the towns and of the rural communities.

XII

U.S.-MEXICO AGRICULTURAL COOPERATION

The U.S. Department of Agriculture has cooperated with Mexico on plant and animal health programs for many years. The programs are operated primarily by the USDA Animal and Plant Health Inspection Service (APHIS), with counterpart Mexican organizations. They aim to control pest and disease problems in Mexico as an alternative to closing the U.S. border to all Mexican products that might bring the infestation into the U.S. The major cooperative programs are described below.

Plant Pests and Quarantine Inspection

The Memorandum of Understanding on Plant Pests and Quarantine Inspection was first signed in 1942 and was last revised in February, 1973. Current Agricultural Quarantine Inspection programs include five insect programs and the pest detection program. Roughly, 30-40 percent of the cost of these programs is borne by Mexico.

Mediterranean Fruit Fly (Medfly): Among the many pests which could seriously affect U.S. and Mexican agriculture is the Mediterranean Fruit Fly (Medfly), which has spread from Guatemala to Mexico. Should the Medfly spread to the winter vegetable production areas of Mexico, strong quarantine measures would be required. More than 40 percent of the winter vegetables consumed in the U.S. originate in Mexico. A U.S. quarantine on them would place a double burden of short supply and inflated prices on the American public and would endanger a valuable export market for Mexico. Moreover, failure to take drastic action on these imports would endanger U.S. crops. In 1983, USDA and the California Department of Food and Agriculture spent close to 100 million dollars to eradicate an outbreak of Medfly in the San Jose and Los Angeles area of California. Sterile medflies produced in Mexico were used in this program.

A sterile fly rearing facility at Metapa went into production in July of 1979 and is presently producing 600 million flies per week for release in southern Chiapas and Guatemala.

Mexican fruit fly: The Mexican fruit fly migrates yearly from Mexico to infest citrus in the Rio Grande Valley of Texas, where it was first found in the U.S. in 1927. Extensive surveys to detect the presence of this fly are now conducted in all major citrus-producing areas in the U.S. and northern Mexico. A sterile fly barrier is placed annually at the California-Mexico border, and at other high hazard locations in northwestern Mexico, to prevent the pest's establishment in the southwestern U.S. A similar barrier was established along the Texas border in 1981 to eliminate the need for fumigation of citrus from the Rio Grande Valley of Texas. These flies are produced in a facility in Monterrey, Mexico. Regulatory action is taken in northern Mexico and Texas to prevent spread of the fly to uninfested areas of the U.S.

Citrus Blackfly: Citrus blackfly, a scale-like insect that is recognized as a very serious pest of citrus, became established in Florida in 1976. Due to cooperative efforts between USDA and Mexico for 30 years, parasites for this pest were introduced into Florida, and the pest has been completely controlled. APHIS phased out this program in Mexico in 1982.

Boll Weevil: In 1963, USDA began a cooperative boll weevil control program with the State of Texas, the High Plains Cotton Growers, and the Republic of Mexico. The USDA has contributed approximately \$24 million to date for this program. Control treatments are conducted on the High Plains of Texas and in the Big Bend area of Mexico along the Rio Grande River. This program has been effective in preventing westward spread of the boll weevil to non-infested cotton-producing areas of Texas, New Mexico, Arizona, Nevada, California and Mexico.

Agricultural Quarantine Inspection: This program allows APHIS to man checkpoints along major traffic routes in Mexico. More than 50 million pounds of Mexican fruit destined for U.S. markets are fumigated annually in 150 USDA approved chambers. Over 2,000 ships are inspected at Mexican ports to insure that the Khapra beetle does not become reestablished in North America. Finally, field surveys are conducted where vegetables are grown for export to help insure freedom from new or exotic pests.

Pest Detection: This is an early warning system set up by APHIS in Mexico to detect pests before they reach the border.

Citrus Canker (Bacteriosis): Certain areas of Mexico are quarantined due to a mild strain of citrus canker which affects Mexican limes (key limes). The USDA cooperates with Mexico in the quarantined areas. In addition, USDA monitors the chlorine-dip treatment required for Mexican citrus exports. Mexican key limes are prohibited entry into the United States.

Foot and Mouth Disease

The Mexico-U.S. Commission for the Prevention of Foot and Mouth Disease (AFTOSA Commission) was formed in 1947. The main justification for U.S. participation in the program is to keep foot and mouth disease out of Mexico and, therefore, out of the U.S. Its uncontrolled spread in the U.S. would result in a loss in direct and indirect costs of about 10 billion dollars to the U.S. livestock industry. The Veterinary Services of APHIS-USDA has maintained an American staff of 4 veterinarians and one Administrative Officer in Mexico since 1954. This is known as the U.S. section of the Commission. The disease was eradicated in 1954 and since that time a surveillance program has been in operation through a joint arrangement. In 1971 an Emergency Programs Staff was created in APHIS and charged with monitoring, detection, and surveillance of animal and poultry diseases foreign to the U.S. The Emergency Programs Staff took over the AFTOSA surveillance program. The funding arrangement in 1979 called for the U.S. to pay 85

percent of the cost of the AFTOSA program, or approximately \$400,000. The 30th anniversary of the successful eradication of the disease from Mexico was celebrated in 1984.

Screwworm

The major animal pest control effort between the U.S. and Mexico is the U.S.-Mexico Screwworm Eradication Program. The screwworm is a parasite which passes the first part of its life cycle in warm blooded animals, particularly range cattle. This pest was eliminated from the U.S. in 1966 by aerial release of sterile screwworm flies.

Under the Screwworm Program agreed upon in 1972 by the U.S. and Mexico, the two countries conduct a jointly financed campaign aimed at eradicating screwworms north of the Isthmus of Tehuantepec. After eradication, a protective barrier will be developed across the narrow isthmus. This will cost much less to maintain than the present barrier at the U.S. border. In July 1984, the Commission reached its goal of eradicating screwworms north and west of the Isthmus of Tehuantepec.

A plant complex for rearing, sterilizing, and packaging 300 million sterile screwworm flies per week was built near the city of Tuxtla Gutierrez, Chiapas, in southern Mexico.

It was financed 80 percent by United States funds and 20 percent by Mexican Government funds. Construction was completed in 1976. When operating at full capacity, the plant provided employment for 450 Mexican personnel. During the peak of the program, sterile screwworm flies were released from more than 30 aircraft from dispersal centers throughout Mexico.

U.S. and Mexican field personnel located throughout Mexico work to acquaint livestock producers with the eradication program and enlist their cooperation in taking preventive measures and submitting samples of larvae collected from animal wounds.

The Food Safety and Inspection Service (FSIS)

In February 1984, all Mexican meat exports to the U.S. were banned until a toxic residue detection and control program could be established in compliance with USDA requirements.

Scientific and Technical Cooperation

The USDA participates in several cooperative programs under the umbrella of the 1972 U.S.-Mexico Agreement on Scientific and Technological Cooperation. These programs cover: (1) development and exploitation of new crops, (2) conservation and use of natural resources including soil, water, and forests, and (3) improved productivity of conventional crops and livestock. Under new crop development, emphasis is currently being placed on cooperative research into production and processing of guayule, a plant with great potential in the rubber industry. Under the conservation and natural resource heading, there are a number of ongoing cooperative programs involving, for

instance, the USDA's Forest Service, the U.S. Soil Conservation Service, and several State Agricultural Experiment Stations. These programs provide for a sharing of facilities and knowledge concerning natural resource utilization. Finally, under the heading of improved agricultural productivity, Mexico and the U.S. agreed in 1979 to endorse the activities of 38 specific projects involving technical exchanges between agricultural scientists on both sides of the border. These projects involve sending researchers from one country to the other to study available information and to discuss cooperative research possibilities. Projects are very specific in nature and deal with problems of agronomy, disease control and variety testing, among others.

Winter Cotton Breeding Nursery, Tecoman, Colima, Mexico.

A winter cotton nursery for American cotton breeders has been in continuous operation at Iguala, Guerrero, Mexico since 1950. In July, 1981, the operation was moved to the INIA station at Tecoman, Colima, near the Mexican west coast city of Manzanillo.

This program is sponsored jointly by the National Cotton Council and USDA Corn Belt State Agricultural Experiment Stations in cooperation with the Instituto Nacional de Investigaciones Agricolas and the U.S. Embassy in Mexico City

The program enables private and public developers of improved cotton varieties (cultivars) to accelerate the growing process by growing two plant generations in the field per year -- one in the U.S. during the normal growing season and another in the tropics of Mexico during the winter.

The main goal of the nursery is seed increase during the early stages of varietal development. The tropical location also allows breeders to produce seed from wild or experimental photoperiodic cottons -- ones that normally will not flower in U.S. fields during the summer months. Other purposes include maintenance of germplasm collections and scientific and technical cooperation between the U.S. and Mexico.

Crop Variety Improvement

Several continuing efforts come under this example of agricultural cooperation. A program for wheat and barley involves the Mexican government, USDA, all of the spring wheat states in the upper Midwest as well as the Canadian Department of Agriculture. A potato variety testing center is also maintained in Mexico to improve varieties by testing seeds for resistance to potato blight. Potatoes are sent to this center for screening from all over the world. The Rockefeller Foundation assisted in the creation of this program. Lastly, USDA has worked closely with the Mexican government in recent years to help prevent the introduction of coffee rust into Mexico. USDA facilities in Maryland have been made available for quarantine purposes so that rust resistant coffee varieties can be brought to Mexico from nurseries in Portugal. USDA also agreed to facilitate the inspection and certification of

empty coffee sacks moving from the U.S. to Mexico as being free of coffee rust spores.

The U.S. Forest Service

The U.S. Forest Service, through the North American Forestry Commission, has proposed an agreement for cooperation in the area of forestry and the exchange of scientists.

XIII

AGRICULTURAL DEVELOPMENT LAW OF 1980

For a variety of historical and cultural reasons, agrarian unrest has been the legacy of every government since the Revolution of 1910. The Lopez Portillo administration began to take a different view of the agrarian situation than previous administrations, and even admitted publicly its failure to solve the more critical problems in this area. Secretary of Agriculture Merino Rabago stated publicly in late 1980 that unemployment in rural areas persists despite the government's effort to create new sources of employment. He commented that small landowners continue to divide their holdings as legacies to their children and also as a means to tie their children to the land, and he pointed to the seriously low level of job opportunities in rural areas compared to the available labor supply.

In a radical departure from historical, revolutionary philosophy, President Lopez Portillo in October 1980 proposed to the Chamber of Deputies a Law for Agricultural and Livestock Development (LALD). The LALD was heavily debated and finally approved by the Senate on December 26th, 1980. It took effect in early February 1981.

The main objective of the LALD is to encourage production and productivity among the various forms of communal farm operations (ejidos and comunales) and between them and small landowners. Small landowners are essentially private individuals legally holding crop and grazing land. These communal operations may now legally form "units of production" that can be capitalized as any other business enterprise, and even employ labor and management. Other features of the law penalize the owners of idle lands, encourage the production of crops on grazing land, discourage the fractionization of properties into units of less than 5 hectares, and enable the Mexican Government to share risks with production units established in rainfed areas. Notwithstanding its numerous apparent attractions for the private sector, the LALD has not had much impact.

The De La Madrid administration has been offering tax and other incentives to Mexican agro-food industries if they would include units of production with ejidatarios in their expansion plans. Thus far, we are not aware of any such units having been formed.

THE NATIONAL FOOD PROGRAM 1983-1988

In October 1983, President De la Madrid announced an ambitious new effort to coordinate Mexican food and agricultural policy. The main aspect of this effort is the National Food Program (PRONAL), which aims primarily to insure adequate supplies of food to low income segments of the population. This program is administered by the National Food Commission (NFC), which is headed by President De la Madrid, and includes cabinet secretaries and directors general of organizations whose functions are directly or indirectly related to food and nutrition. In addition, the Commission includes the Mayor of Mexico City.

President De la Madrid appointed former Secretary of Commerce Lic. Jorge de la Vega Dominguez as Coordinator of PRONAL. He has been a professor of economics, deputy from the state of Chiapas, Director of the Institute of Political, Economic and Social Studies, Director-General of CONASUPO, Governor of Chiapas and Secretary of Commerce. De la Vega's task is to ensure coordination of PRONAL's activities with the Government. There is also a Technical Committee presided over by the Secretariat for Programming and Budget. One of the main tasks of the NFC is to lay down the criteria and policies of PRONAL's operations. According to the document outlining PRONAL's goals and responsibilities, the intent is not to create additional bureaucratic layers; rather, responsibility for carrying out the programs of PRONAL is given to existing entities with coordination ensured by the NFC.

Background

PRONAL fills the gap left in Mexico's national food policy following the demise of the National Food System (SAM) in late 1982. The new program attempts to address many of the goals undertaken by the SAM while avoiding what many analysts view as the administrative and conceptual failures of the SAM. PRONAL, like the SAM, recognizes the urgent need to provide a nutritionally balanced diet to Mexico's lower-income and unemployed population. But whereas the SAM focused heavily on production, PRONAL focuses on the consumption side for obvious social reasons.

PRONAL undertakes its responsibilities against a complex background of events and developments which have brought the agricultural sector to its present state. As outlined by PRONAL, these include: the world food situation; the effect of the economic crisis on the nutrition of the Mexican people; the agricultural production situation; the structure of the Mexican food industry; Mexico's growing agricultural imports; and marketing and distribution inadequacies.

A relatively small part of the rationalization for PRONAL is the world food situation. PRONAL draws on FAO, World Bank, ILO and WFC data to point up the state of malnutrition in developing countries. It states that the so-called "food crisis" is due to a structural phenomenon that is manifested in

situations of false scarcities, wide swings in international prices, and control of food prices by countries in possession of large stocks.

But the Mexican government's major rationale is the nutritional problem in Mexico which has become even more acute during the current economic crisis. In particular, the role of prices and consumers' disposable incomes has influenced the composition of diets and their availability to the under-nourished population. In the decade from 1956-66, prices paid by consumers grew more slowly than those paid by farmers. During 1966-76, the reverse was true, particularly for prices paid by consumers for all basic products, the only exception being fluid milk. Thus, in the first decade, prices stimulated production. In the second, production slowed and prices paid by consumers rose due to a decrease in available supplies.

The inflation of 1982 caused consumers' food prices in 1982 to shoot up - meat and dairy prices by 96 percent, canned fruits and vegetables by 119 percent, wheat flour and milling by-products by 126 percent, sugar and by-products 122 percent, and vegetable fats and oils by 110 percent. In 1983, inflationary price trends, rising unemployment and a decline in consumers' purchasing power, have caused a drastic deterioration in this situation. PRONAL focuses its efforts on populations most seriously affected by consumption and nutritional problems in South, Central and Southeast Mexico. These areas include the states of Oaxaca, Chiapas, Guerrero, Hidalgo, Tabasco, Queretaro, Puebla, and the periphery of the Federal District.

PRONAL also outlines past problems with Mexican government production policy. In the past, according to PRONAL, the tendency was to develop modern commercial farms. As a result, government programs were concentrated in areas of greatest production potential where irrigation agriculture was assisted by large infrastructural projects. Development goals were achieved by means of capital-intensive technology and credit programs. In areas with irrigation and adequate rainfall that favored high-yielding crops. Consequently, PRONAL explains that corn and bean production in rainfed areas gave way to export crops, livestock production, or to crops for processing. These, and other government policies, caused deep changes in the area harvested, the total crop composition, and in average unit yields to the detriment of food production. The rates of growth of total harvested area declined from an average of 13.6 percent during 1940-50 to 1.3 percent during 1970-80. Growth of the harvested area of basic foodgrains was negative in the second decade and way below the population rate of growth.

Regarding the structure of the food industry in Mexico, PRONAL states that seventy percent of retail food outlets are small, family-owned operations. They employ a large number of unsalaried workers and produce some of the food items they sell such as home-canned foods. These shops distribute only 2 percent of the food industry's production. On the other hand, one percent of all large companies employ more than

half of the workers in the food industry and they produce 65 percent of total processed food production.

These "mama-papa" type operations are disappearing for the same reasons that have caused their demise in developed countries. Similarly, wheat millers, pasta manufacturers, bakeries and dairies, among others, have declined markedly in numbers since 1970.

PRONAL admits to health problems with many Mexican processed foods, for example, bacterial contamination, traces of heavy metals in foods, aflatoxin in grains and dried foods, parasites, and pesticide residues.

The volume of Mexico's food imports as a percent of domestic production has changed significantly. The Director General for Agricultural Economics in the agriculture secretariat reported to PRONAL that corn imports during 1965-69 were only 0.1 percent of corn production. Sorghum accounted for 1.6 percent and bean imports were practically nil. In 1970-74, the proportions were 7.7, 5.0 and 1.5 percent; in 1975, 16.6, 17.4 and 3.4 percent. The most dramatic change was in the 3-year period 1980-82, when corn imports were 19 percent, sorghum 40.6 and beans 30.6 percent of their respective production. Imports of milk and eggs showed similar dramatic increases.

PRONAL estimates that deficiencies in all aspects of the internal distribution system presently lead to estimated average annual losses of 10 percent in grains, 30 percent in fruits and vegetables, and 50 percent in fish and shellfish. Of the total national storage capacity of 23 million tons, 85 percent is for grains and oilseeds. Most of the storage and other infrastructure is concentrated in the better farming areas and near urban consumption centers. Sixty-five percent of covered storage facilities are horizontal and unmechanized; and 20 percent are horizontal grain storage facilities that would not be able to withstand major climatological catastrophes. Only 15 percent are modern mechanized silos. Railroad cars are manually loaded and unloaded, and many are used as storage.

About 7 million persons reside in widely dispersed rural areas that lack permanent roads. The growing development of road transportation has led to greater truck transport of farm goods but at a growing cost to producers and consumers.

In summary, says PRONAL, development of food marketing and distribution infrastructure has been unplanned and without set goals or objectives. This has resulted in inadequate handling, losses, and quality deterioration, in inadequate participation by producers and consumers in the marketing chain, excessive participation by middlemen, centralization of the marketing process and finally, unnecessarily long and inefficient transportation of food.

Goals

As with the SAM, Mexico's self-determination in agricultural matters continues to be an important theme outlined by PRONAL. The phrase "food determination" used in the PRONAL document is explained as an element of the concept of national sovereignty as applied to standards of consumption, production and distribution. "Food sovereignty", a concept first enunciated in the 1983-88 National Development Plan, is described as access to foods that facilitate the mental and physical development of the people according to PRONAL.

PRONAL's objectives for Mexican agricultural production are based on developing domestic food production, especially in the rainfed areas but not to the neglect of irrigated areas. It also aims at increasing productivity in the food processing industry and improving food marketing efficiency.

Coordinated programs are being designed with the participation of existing branches of the executive to improve the nutritional levels of diets of low income families - 40 percent of the population or 30 million people in 1984 and an estimated 33 million in 1988. PRONAL is concentrating on a group of priority, basic, human foods and their derivatives: corn, wheat, beans, rice, sugar, vegetable fats and oils, poultry meat, eggs, milk and fish.

Three Subcommittees Created in 1984

PRONAL in 1984 remained in its preliminary stages, with its organization and program yet to be finalized.

In September 1984, a National Food Supply Plan was announced jointly by SECOFIN and SARH. The plan, central to PRONAL's goals, has as its objective the coordination of all activities related to food marketing.

In October 1984, SECOFIN officials announced the creation of three PRONAL subcommittees as part of a mechanism to implement PRONAL programs. These subcommittees will regulate and develop manufacturing, commercialization, and equipment and inputs under PRONAL. The subcommittees will also study food subsidies, including possible restructuring of subsidies for corn-tortillas, wheat flour-bread, and soymeal-eggs.

XV

ECONOMIC DEVELOPMENT AND THE CURRENT ECONOMIC CLIMATE

In last year's edition of this handbook, we examined in detail the origins of Mexico's economic problems in the early 1980's, and the economic program of the de la Madrid administration through 1982 and into 1983. This edition will focus on the results of the de la Madrid administration's economic adjustment program through 1983 and into 1984, with a brief mention of the near-term outlook.

The Mexican Economy in 1983

When President de la Madrid took office in December 1982, the Mexican economy was plagued by rising inflation, capital flight, and falling output and employment. Foreign exchange reserves were not sufficient to meet even the country's short-term external liabilities. The new President's inauguration followed by only four months the events of August 1982 when the Mexican economic crisis came to a head. At that time the country was forced to seek emergency assistance to avoid running out of foreign exchange and to begin planning in earnest an economic adjustment program to bring about major structural changes in the economy. Since the late 1970's, the Mexican Government has followed a policy of financing development through sharply increased public sector expenditures and external borrowing. These policies led to burgeoning public sector deficits, accelerating inflation and an increase in the Mexican public sector's external debt from \$4 billion (12 percent of GDP) in 1970 to \$59 billion (36 percent of GDP) in 1982.

President de la Madrid began his six-year term of office with a strategy of reordering the economy. This six-year strategy envisioned major structural changes in the economy during the first two years of his administration to be followed by growth at 3.5-6 percent per year in the remaining four years. The key to implementing this plan was a three-year Extended Fund Facility Program with the International Monetary Fund. The major objectives of this program were massive annual reductions in the real size of the public sector deficit, sharp annual declines in the rate of inflation, substantial cutbacks on external borrowing and a progressive build-up of foreign exchange reserves.

During 1983 the program called for a reduction in public sector spending in real terms of 15 percent and a reduction in the financial deficit as a percentage of gross domestic product (GDP) to 8.5 percent from 17.6 percent in 1982. It also called for a net build-up of foreign exchange reserves of at least \$2 billion, a limit of \$5 billion on net foreign borrowing by the public sector, and ceilings on internal borrowing by the Mexican government. By the end of 1983, the Mexican Government had achieved and in some cases greatly exceeded all except one of these objectives. The ratio of the financial deficit to GDP was slightly over target at 8.7 percent, largely because the GDP was considerably lower than originally projected.

The Economic Adjustment Program Brings External Surpluses and Sharp Reductions in the Budget Deficit

The country's economic retrenchment efforts during 1983 were reflected in the performance of the economy. Mexico's GDP shrank by 4.7 percent in real terms. (In November 1984, this figure was revised to show a decline of 5.3 percent). This reduction followed a decline of 0.5 percent in 1982 after four years of growth averaging 8 percent. The declines in real growth in 1982 and 1983 were

the first such drops since 1932. Production of agricultural commodities, electricity, and financial services increased slightly in 1983 compared to 1982 but all other major sectors of the economy declined. General commerce, principally wholesale and retail trade, the largest single sector in Mexico, fell by 8.6 percent, construction fell by 15.1 percent, and industrial production fell by 8.2 percent.

Industrial production, including mining, manufacturing, construction, and electricity, declined in each quarter of 1983 compared to the same period in the previous year. However the declines became progressively smaller each quarter (-13.1, -10.6, -6.4, -3.2). Capital goods production registered a large decline of -25.1 percent. Production in the chemicals, food and beverage industries remained close to 1982 levels with only slight declines in real terms.

Petroleum Export Revenues and Total Production Decline

During 1983 Mexico's oil industry was affected by the worldwide decrease in demand for petroleum products and the shrinkage of the domestic economy. Compared to 1982, crude oil production was down by 2.9 percent from 2.746 to 2.666 million barrels per day. Gas production declined from 4,246.3 to 4,053.6 million cubic feet per day or by 4.5 percent. Mexico was able to maintain its position as the fourth largest oil producer in the world following the USSR, Saudi Arabia, and the United States. Mexico's refineries processed 1.260 million barrels per day, an increase of 0.8 percent over 1982.

Mexico's petroleum exports increased in volume but decreased in value in 1983 compared to 1982. Crude oil exports averaged 1.54 million barrels per day, up 3.0 percent from 1982 but their value decreased by 5.0 percent. Total petroleum exports including gas and petroleum products declined by 2.9 percent in value from \$16.5 billion to \$16.0 billion. Crude oil exports went to 23 countries. The United States purchased about half followed by Spain (10.5 percent), Japan (7.8 percent), the United Kingdom (5.6 percent), and France (5.4 percent). Exports were composed of 44 percent light-grade Isthmus and 56 percent heavy-grade Maya crude. Mexico's proven oil reserves increased slightly in 1983 from 72 to 72.5 billion barrels, according to Mexican Government sources.

The domestic prices of Mexico's gasoline products have risen sharply since December 1982 as an integral part of the adjustment program which requires a reduction of subsidies to help temper public expenditures and requires a movement toward world prices in the domestic Mexican market. In dollar terms, unleaded gasoline increased from \$.76/gallon to \$.84 in April 1982 to \$1.02 in October 1983 and to \$1.15 in April 1984 using the Mexican government's "market" exchange rate on the date of each increase.

Trade Balance and Current Account in Surplus as Imports Drop

Mexico's trade and current account balances improved dramatically during 1983. Compared to 1982, the surplus in the trade account increased from \$6.8 billion to \$13.7 billion while the current account moved from a deficit of \$4.9 billion to a surplus of \$5.5 billion. The principal reason for these large shifts was the 47 percent decline in imports which resulted from tight import controls and the constriction in domestic economic activity. Although the restrictive import licensing policy was relaxed during the latter part of the year, demand for merchandise imports remained very low throughout 1983. Other contributing factors included the high peso cost of imports compared to pre-devaluation levels, the reluctance of Mexican business to take on dollar-denominated liabilities, and the high cost of peso credit from commercial banks.

The nominal value of merchandise exports in 1983 remained at almost the same level as in 1982 at slightly more than \$21 billion. Although declining by 3 percent in value terms, the petroleum sector accounted for 75 percent of Mexico's exports. A 43 percent increase in manufactured exports (including petroleum derivatives) made up for the decline in the value of crude petroleum exports.

Mexico's trade statistics show worldwide merchandise exports during 1983 of \$21.4 billion and imports of \$7.7 billion. Exports to the U.S. totaled \$12.4 billion (58 percent of the worldwide total) whereas imports from the U.S. totaled \$4.8 billion (63 percent of the worldwide total). Among the leading imports from the United States were corn, sorghum, motor vehicle parts, soybeans, automatic data processing parts, paper and paperboard, and sunflower seeds. Major exports to the United States besides petroleum included automotive engines, refined silver, shrimp, coffee, and winter vegetables. Important in U.S./Mexico trade are the U.S. components exported to Mexico for assembly in the in-bond or maquila plants and then imported into the U.S. as assembled products. Receipts from these in-bond industries totaled \$830 million or about the same as in 1982 according to Mexican sources. According to U.S. trade statistics, the U.S. exported \$9.1 billion in merchandise to Mexico in 1983 and imported \$16.8 billion. Mexican import and export statistics do not include the in-bond trade and U.S./Mexico border trade; these are the primary reasons for the discrepancy between the U.S. and Mexican statistics.

Budget Deficit Falls By 50 Percent in Real Terms

Mexico's public sector deficit for 1983 was 1.5 trillion pesos, slightly less than the 1982 deficit in absolute terms. As a ratio to GDP, the deficit fell from 17.6 percent in 1982 to 8.7 percent in 1983. Two-thirds of the deficit was financed internally, primarily through Bank of Mexico operations. Foreign loans financed the other third.

When transfers and subsidies are netted out, petroleum operations provided nearly two-thirds of

public sector revenues in 1983. Taxes, other than those paid by PEMEX, provided around thirty percent of the total. On the expenditure side, the largest single component was interest costs which came to about 30 percent of total. A little over half of that went to servicing the public debt held domestically. Capital expenditures in 1983 amounted to 18 percent of total expenditures.

The federal government accounted for most of the overall public sector financial deficit in 1983 (93 percent). Parastatal entities were budgeted to run a deficit of 416 billion pesos but instead ran a surplus of 117 billion pesos largely because economic activity fell off at a much more rapid pace than expected. PEMEX itself had a surplus of 328 billion pesos, about \$2.73 billion at the average free market exchange rate. The parastatal surpluses shown above do not take into account subsidies and transfers from the federal government (some 700 billion pesos). Without those transfers, the parastatals would have operated at a significant loss.

Inflation Slows

The Consumer Price Index increased 80.8 percent in 1983 on a December-to-December basis, a reduction of almost 20 percentage points from 1982. Increases in the Producer Price Index of 80.2 percent for 1983 and in the Wholesale Price Index for Mexico City of 88 percent were also improvements over 1982 rates. The largest price increase came between August 1982 and June 1983 when the influence of the peso devaluations was greatest. The month-to-month changes in the CPI averaged 7 percent in the first half, 4.8 percent in the third quarter, and 4.0 percent in the fourth quarter of 1983. The average year-to-year rates of increase thus were considerably higher than the December-to-December rates. The average increases from 1982 to 1983 were 101.9 percent in the CPI, 99.3 percent in producer prices, and 107.4 percent in wholesale prices in Mexico City. This compares with average rates from 1981 to 1982 of 58.9, 57.5, and 56.1 percent respectively.

Average increases in the prices of controlled products were slightly less than those for unregulated products (78.3 percent vs. 82.0 percent). Prices of controlled items included in the "basic food basket" such as beans, tortillas, corn meal, vegetable oil, and coffee, increased by 72.1 percent between December 1982 and December 1983. Thus, although these products were subsidized, the degree of subsidization was considerably less than in previous years.

The dual exchange rate systems was maintained throughout 1983. The controlled rate began the year at 96 pesos per U.S. dollar and ended the year at about 144. The Mexican Government maintained a daily slide of either 13 or 14 centavos per day throughout the year. The "market" rate began the year at 148.5 pesos to the dollar and stayed at that level until September 23, when it joined the controlled rate in a slide of 13 centavos/day. The year-end quote for the "market" rate was 161 pesos to the dollar.

Outlook For 1984/85 and Implications for the United States

Modest Growth and Reduced Inflation Expected

The Mexican Government's economic strategy for 1984 called for maintenance of employment levels, no further decline in real wages, and a very modest economic recovery of 1 percent GDP growth, while halving inflation over the course of the year. The year 1984 is considered by the Mexican government to be the second stage of the "economic reordering" and to be a transition year which will help to establish the basis for higher and more sustainable growth in the future.

Toward the end of 1984, the Mexican Government was projecting GDP growth at slightly more than 2 percent. This forecast was above earlier estimates due to stronger-than-expected GDP growth for three quarters of 1984.

According to Bank of Mexico figures, employment in the manufacturing sector in early 1984 was 7 percent lower than in the same period in 1983. The Mexican Government has stated on numerous occasions that the open unemployment rate rose to eight percent in 1982 and has since stabilized. Underemployment remains a serious problem in Mexico with some estimates ranging as high as 40-45 percent of the economically active population; but this is not a great increase over more normal times.

At the beginning of 1984, the Mexican Government set a target of 40 percent for inflation for 1984 as calculated by the change in the Consumer Price Index on a December-to-December basis, or 50 percent on a year-to-year basis. Government spokesmen have now accepted that this target will be exceeded. Over the last 12 months ending in September 1984, the CPI has increased 62.7 percent. Most analysts now foresee December 1983 to December 1984 inflation between 55 and 60 percent, which would represent a significant improvement over 1983 but still be somewhat over target.

Peso Devaluation Continues Daily

Rising expectations of inflation, increases in international interest rates, and continuing depressed economic activity in Mexico have put pressure on the peso-dollar exchange rate. Throughout the de la Madrid Administration, Mexico has had a two-tier exchange system--a market rate and a controlled rate. This system went into effect with the imposition of exchange controls in 1982 to help ration scarce foreign exchange and reinforce the import licensing system. The controlled rate was pegged at 96 pesos/dollar in December 1983 and has been declining at a daily rate of 13 centavos per day since that time. The controlled rate is used for about 80 percent of the country's foreign transactions, including nearly all merchandise imports and exports. The so called "market rate" was set at 149 pesos/dollar in December 1982 and in September 1983 the Mexican Government decided to institute a controlled slide of 13 centavos per day in that rate, the same daily

slippage as in the controlled rate. Since then the two rates have maintained a constant differential of about 17 pesos although the percentage difference between the two rates is progressively declining.

The government's exchange rate strategy for 1984 was formulated on the basis of a 40 percent December-December inflation rate. The controlled slide of 13 centavos per day equates to an annual rate of change for 1984 of 33 percent for the controlled rate and 30 percent in the "market" rate. Given an average annual inflation rate of 5-7 percent in the United States and Mexico's other major trading partners, the original target of 40 percent inflation in Mexico would have prevented any significant appreciation of the peso in 1984. However since inflation has been higher in Mexico, the peso has appreciated by about 9 percent during the first half of 1984. The GOM in early December 1984, in an effort to make the peso more competitive, increased the controlled slide to 17 centavos per day.

Interest Rates and Wage Increases Reflect Expectations of Continued High Inflation

Interest rates on bank deposits fell progressively through 1983 and at the beginning of 1984 the Mexican Government hoped to be able to pursue a policy of steadily declining interest rates both for savings instruments and loans over the course of the year. Until April it was successfully able to carry out this policy. For example interest rates on short term (up to 90 day) deposits fell from 55 percent in January to 49 percent in April. Commercial banks' average cost of borrowing also fell by 6 percentage points over the same period. However, ongoing inflationary pressures in the country and rises in international interest rates have forced the Mexican Government to increase interest rates slightly between April and July, 1984.

Interest rate policy is closely linked to exchange rate policy and inflation goals. To retain deposits in pesos in Mexican banks and to discourage the transfer of financial assets to other countries, Mexican bank deposit interest rates must equal an estimated rate of increase in the peso cost of a dollar (30 percent for the "free" rate and 33 percent for the controlled rate in 1984) plus a comparable yield on a dollar instrument plus a premium for saving in pesos. With this line of reasoning, bank deposit interest rates are unlikely to fall much further during 1984, particularly in light of ongoing pressures on the exchange rate. Moreover, even if Mexican inflation does continue to decline, U.S. interest rates would also have to fall before any significant fall in Mexican interest rates would be possible.

During 1983 real wages in Mexico declined sharply. Total minimum adjustments for the year were 44.6 percent while consumer prices increased by over 80 percent. In 1984, wage policy has been linked to inflation and the government has stated its desire

to protect the real income of Mexican workers. On December 29, 1983, the Mexican Government announced an increase of 30.4 percent in the minimum wage effective January 1, 1984. On June 6, a second increase of 20 percent was announced, bringing a total increase for the year to 56.5 percent. No further increases are expected until January 1, 1985. The minimum wage, while not representative of all income in Mexico, tends to set a precedent for other wage negotiations.

Surpluses Continue in Trade Balance and Current Account

Mexico's large 1983 trade and current account surpluses, \$13.7 billion and \$5.5 billion, respectively, will probably decrease in 1984, but should remain strongly positive for the entire year. First half results for 1984 show a trade surplus of \$7.3 billion and a current account surplus of \$3.3 billion, up 42 percent.

Merchandise imports should recover in 1984 from the 1983 low of \$7.7 billion, but will likely remain below the 1982 level of \$14 billion, not to mention the peak import level of \$24 billion attained in 1981. Imports in the first half of 1984 were up 26 percent over the depressed levels in the first half of 1983 but still totaled only about 4.5 billion. Merchandise exports increased 14 percent in dollar terms during the first six months of 1984 with non-petroleum exports showing strong growth. Non-petroleum exports should continue their impressive performance throughout the year.

Mexican Public Sector Debt Rescheduled

At the end of 1983, Mexico's foreign debt totaled almost \$90 billion, of which about \$63 billion was owed by the public sector. In addition, the nationalized commercial banks had about \$8 billion in debt outstanding. The remaining \$18 billion was private sector debt. The principal payments on external public debt owed to commercial banks falling due between August 1982 and December 1984 (about \$23.5 billion) were restructured in 1983 to be paid off over eight years with four years of grace. This restructured debt excluded obligations arising from interbank placements of foreign agencies and branches of Mexican banks, debt guaranteed by official agencies of the creditor countries, bonds issued by the public sector, private placements, and floating rate certificates of deposit and notes.

According to Mexican Government statistics, Mexico's debt service ratio for 1983 was 52 percent--amortization payments on medium- and long-term debt, \$4,590; interest payments, \$9,861; revenues from exports of goods and services, border trade, investment income and transfers, \$27,908--in millions of dollars.

In late August 1984, Mexico and its major creditors came to a tentative agreement to reschedule Mexico's public sector debt estimated at \$48.5 billion. The major terms were as follows:

Twenty billion dollars will be restructured over 14 years with a one year grace period;

Eleven and a half billion dollars falling due in 1987 and 1988 will be rescheduled over 12 years with no grace;

Eleven and a half billion dollars falling due in 1989 and 1990 would be payable over 10 years with no grace;

Amortization payments would be \$1.4 billion in 1984, zero in 1985, \$500 million in 1986, \$1 billion in 1987, \$1.5 billion in 1988, and \$3.7 billion in 1989;

The prime rate option would be dropped and Mexico would pay a spread of 1-1 1/8 percent over LIBOR (London Interbank Offered Rate).

There remains, however, considerable confusion as to the future monitoring role of the IMF and under what conditions the agreement could be terminated.

Significantly, analysts believe that the agreement will allow Mexico sufficient flexibility to finance its external debt obligations and at the same time permit sufficient imports growth to generate positive per capita GDP growth for the rest of the de la Madrid administration. They, of course, are assuming no major adverse exogenous developments such as precipitous oil price declines, prolonged recessions in the industrialized countries, or substantial increases in international interest rates.

In January, 1984, Eximbank successfully concluded negotiations to restructure around \$500 million in direct credits and loans insured or guaranteed by Eximbank. The restructuring will be over 6 to 8 years with three to four years grace for amortization payments depending on the choice of repayment plan. In this program, the Mexican borrower will deposit pesos with the Mexican Government, and the Mexican Government will then pay Eximbank in dollar. The official credit agencies similar to Eximbank from other countries are still in the process of restructuring their credits to Mexico.

The Mexican Government has been assisting the renegotiation of Mexican private sector debt through the FICORCA programs. FICORCA is a Spanish acronym for the trust fund that covers exchange risks. In 1983, \$11.6 billion of debt incurred prior to December 20, 1983, was restructured through FICORCA programs. Through these programs, private borrowers may acquire foreign exchange for future delivery at preestablished rates of exchange for repayment of foreign obligations. FICORCA participants are able to buy foreign exchange for future delivery either with their own peso funds or with funds borrowed from the Mexican Government. If the borrower receives a peso loan from the Mexican Government, the foreign creditor must accept restructuring over eight years including four years of grace for principal payments. In other cases, FICORCA participants must negotiate with the external creditor to accept a

restructuring of the debt over six to eight years, including three or four years of grace for principal payments. On February 15, 1984, the Mexican Government introduced a new program also administered by FICORCA to provide exchange risk coverage for foreign indebtedness incurred after December 20, 1982.

Foreign Investment Climate Uncertain

The rules governing foreign investment are contained in three laws enacted during the 1970's and their subsequent regulations: the 1973 Law to Promote Mexican Investment and Regulate Foreign Investment; the 1973 Technology Transfer Law; and the 1976 Law on Inventions and Trademarks. At present most foreign investors are limited to minority ownership with exceptions being granted in cases where authorities consider the investment to be particularly attractive for Mexico, e.g., significant technology transfer, large employment generation, large export potential, and industrial diversification.

The de la Madrid Administration has publicly stated that it welcomes foreign investment although, in practice, the volume of foreign investment has been disappointingly small. The government clearly favors channeling such investment into certain areas of the economy. It recently issued new guidelines for foreign investment and specified that majority foreign ownership would be allowed in certain high priority sectors such as heavy machinery, electronic equipment, high-technology products, and hotels. Nonetheless, potential investors continue to be screened carefully and it is not yet clear how the new guidelines might be implemented.

Over the past several decades foreign investment as a whole has been subject to increasing government scrutiny and regulation. Nonetheless, it continued to grow significantly until 1981. Over the past two years, net foreign investment inflows have risen at a much slower rate, in part because of the economic recession in the country. Furthermore, the recent decrees on automobiles and pharmaceuticals have increased the regulation of foreign investment in these sectors and have made the foreign investment climate more uncertain. Many investors are concerned over the operating conditions they will encounter once established in Mexico such as controlled prices, long-term exchange rate policy, access to peso credit, export and local content requirement, protection of technology, and the government's attitude towards the private sector.

Agricultural Sector Situation and Outlook

Mexican agricultural production during 1983 underwent a significant recovery from the severe drought of 1982. Our estimates indicate an 18 percent increase in 1983/84 production of basic grains, pulses and oilseeds over 1982/83 levels. Over 80 percent of this output was harvested in the fall of 1983, which is slightly above normal. Production rose for all grains which are principally rainfed (corn, sorghum, barley and dry beans) and fell for those that are chiefly

irrigated (wheat and rice). Our analysis indicates production increased in 1983/84 for all major oilseed crops except safflower.

Production of export crops improved for the most part in 1983/84, in part spurred by improved export prices following the devaluation. Mexico's vegetable exports should increase significantly during 1984. Citrus production was hit by severe frosts in late 1983. Weather was benevolent during 1983, although production gains for basic commodities did not reach initial GOM expectations for several reasons: the Mexican rainy season which usually begins in late May did not arrive until July in most growing regions; this caused reseeded in many areas, often with inferior domestic seed; production costs increased and caused a decline in use of fertilizers, insecticides and other inputs; and GOM budget reductions and the general economic recession affected credit availability to agricultural producers.

Data compiled from our reports from 1979/80 to 1983/84 indicate that 1983/84 production for grains, oilseeds and pulses increased only marginally over the five-year average, 19.8 million MT compared to a five-year average of about 19.5 MMT. The small increase in 1983/84 was due solely to higher yields compared to the five-year average. Surprisingly, harvested area in 1983/84 for all grains, pulses and oilseed declined slightly from the five-year average to 12.2 million hectares.

The severe drought of 1982 led to record agricultural imports during 1983. We estimate total imports in CY 1983 of about 11 million MT. Conasupo reports imports in CY 1983 of 10.7 million MT. Of this, we estimate the U.S. had a share of 94 percent. Imports of non-U.S. origin commodities totalled 642,000 MT and included soybeans from Brazil, feed wheat and barley from Canada, and non-fat dry milk from Ireland, New Zealand and Canada.

Data from the Banco de Mexico indicate CY 1983 agricultural imports totalled \$1.619 billion compared to \$927 million dollars of imports during 1982. The same source shows Mexican agricultural exports in CY 1983 totaled \$1.063 billion compared to \$1.097 billion in 1982. This resulted in an agricultural trade deficit of \$556 million in CY 1983 compared to an agricultural trade surplus of \$170 million in 1982. These trade figures do not include processed agricultural products, which are considered industrial goods. They may also under report the value of some commodities. For these reasons, and also because of delays in registering some trade movements, these trade data will differ from official U.S. agricultural trade data.

The general economic situation had a broad impact on Mexico's agricultural performance during 1983 and continued to have an effect during 1984. The general increase in inflation and production cost increases in 1983 often cancelled out increases in support prices for basic commodities. Producers and processors were affected by import restrictions and by substantial price increases caused by successive devaluations of the peso during 1982.

Revisions in support prices prior to the fall harvest in 1983 boosted average 1983/84 guarantee prices 122.4 percent in nominal terms over 1982/83 support prices, whereas input costs went up as much as 150 percent during the same period.

In 1984, inflation continued to increase rapidly, although at a slower rate than in 1983, forcing the Mexican government to raise agricultural prices at various times during the year. In April and May 1984, the GOM raised support prices paid to producers for major products (see table 8). Prices in May were increased by as much as 73 percent compared to October 1983 prices. Grain prices alone increased about 50 percent. The GOM explained that the new prices set in May were "reference" prices and that they could be revised again one month prior to respective harvests if increases in inflation or other factors warranted it. In October 1984, the Secretariat of Agriculture announced increases in 1984 guaranteed prices paid to producers for 11 basic products. The guaranteed prices for corn, wheat, sorghum and soybeans were increased in nominal terms from October 1983 levels by 74.2, 50.0, 82.5 and 80.5 percent, respectively. But the new guaranteed prices reflected real price increases in constant 1983 pesos for only 6 of the 11 products. Real prices for sorghum, soybeans, and corn among others, were increased 12.6, 11.5 and 7.5 percent, respectively. Real prices for safflower, wheat, dry beans, and cottonseed, among others were lowered 9.9, 7.4, 1.1 and 0.4 percent respectively.

In fiscal 1984, Mexico received a maximum of \$ 790 million in U.S. GSM-102 credit guarantees. Both Mexico and the U.S. acknowledged that extensive credit guarantees were needed for Mexico to import the large quantities of food required by its expanding population, especially given its high foreign debt estimated at about \$90 billion. By the end of the fiscal year, however, credit allocations for planting seed, dairy cattle and rice had not been used, resulting in a final allocation of \$679.6 million.

The GSM-102 credit guarantees provided by the U.S. to Mexico were an important support to the bilateral supply agreement signed by U.S. Secretary of Agriculture Block and Mexican Commerce Secretary Hernandez on April 16, 1984. The agreement guaranteed Mexico minimum supplies from the U.S. of approximately 6.1 million MT of basic food and feedstuffs for CY 1984.

XVI

THE MARKET SITUATION AND OUTLOOK FOR COMMODITIES

GENERAL

In CY 1983, Mexico ranked first among the Latin American countries and third in the world as a market for United States agricultural products. It imported \$1.9 billion compared with \$1.2 billion in 1982 and \$2.5 billion in 1980, a record for Mexico. United States farm exports to Mexico increased more than ten times during 1969/71-1979/81 from \$125.0 million to \$1,974.4

million. Mexico's agricultural imports from the U.S. in CY 1984 are expected to exceed 7 million MT with a value of nearly \$2 billion.

Principal United States agricultural exports to Mexico are grains, oilseeds and oilseed products, fats and tallow, fruits and vegetables, hides and skins, live animals, animal meats and meat preparations.

Grain and oilseed and products shipments accounted for 80 percent of the value of all U. S. agricultural exports to Mexico in CY 1983, with dairy, livestock and poultry products exports taking another 13 percent of the total value. The value of U.S. cereal exports, mostly wheat, corn, and sorghum, reached a record \$1.2 billion in 1980, but has since declined. The most rapidly growing sector has been oilseed imports, which reached a record value of \$500 million in 1980. The value of U.S. oilseed and products exports to Mexico is expected to increase in CY 1984 over 1983 levels while the value of U.S grain exports will fall.

The U. S. share of the Mexican agricultural market grew from an average 63 percent during 1969/71 to over 90 percent in recent years. The highest concentrations (based on 1980 figures) have been in live animals (70 percent), meats and meat products (92 percent), cereals and preparations (97 percent), fruits (81 percent), vegetables (99 percent), sugar and sugar products (77 percent), feeds (97 percent), fats and oils (90 percent), hides and skins (99 percent), and oilseeds (95 percent). The closest competitors are Argentina, Canada, and Brazil.

The U.S. share of the Mexican market hit 94 percent in CY 1983. In 1984 this share will fall, probably to about 85 percent, primarily reflecting larger imports of Argentine sorghum, soybeans and sunflowerseed, and larger imports of Brazilian soybeans. High U.S. prices caused by the summer drought in 1983 helped reduced the U.S. market share in 1984.

Mexico's ability to continue expanding imports has become strained since 1982 because economic growth has been slowed almost to a standstill and foreign exchange earnings have been increasingly allocated to pay the huge foreign debt, which is now estimated at about \$90 billion. Non-agricultural imports, which account for about 85 percent of the total, have borne the heaviest burden of reduced imports. The Government appears to be committed to maintaining adequate food supplies for its rapidly expanding population, although demand for some higher-valued, more income-elastic commodities including meats, dairy products, fruits, and complementary products such as feedgrains in 1985 will continue to be strongly affected by real consumer purchasing power.

LIVESTOCK, DAIRY AND POULTRY

General

The economic recession caused financial problems for Mexico's livestock industry during 1983 and

1984, generally resulting in reductions in production and demand. The effects of the recession and depressed consumer income are expected to stretch into 1985, limiting recovery possibilities and profits. In the beef sector, we expect stock cutbacks and culling in 1985 to cause a rise in slaughter. The present lack of profits will induce stock reductions during 1984 in the shorter cycle hog sector, resulting in a decrease in slaughter during 1985. The milk sector is not expected to recover from depressed 1984 levels, but the decrease in total milk production in 1985 is expected to be only 11 percent as compared to a 22 percent decrease from 1983 to 1984. Imports of most livestock and livestock products will probably remain limited because of the weakened peso and lack of GOM credit.

LIVESTOCK

The steady uptrend in demand for livestock products during the past few years began to reverse itself in August 1982. Growth in this sector has now become stagnant to negative. This sector's long-term, underlying production and marketing conditions continue to be hampered by serious technical production deficiencies, structural deficiencies in financial and marketing systems, land tenure problems, chronically high feed prices paid by all producers, frequent physical shortages of feeds, and infrastructural problems including transportation, feed storage, and communications. The conditions of chronically high feed prices worsened this past year.

The reversal in the uptrend of livestock product demand the past two years, the recent cost-price squeezes for livestock producers, and falling output of livestock products all are due primarily to Mexico's overall economic/financial crisis. The shortage of foreign exchange and the peso devaluation, which has increased the peso cost of imports, have particularly hurt livestock producers and livestock product processors with respect to feed and other costs.

In 1983, livestock production and feed usage suffered in part due to insufficient and untimely feed imports. Due to a good Mexican grain harvest and larger sorghum stocks, 1984/85 (Oct-Sept) feed import needs are expected to fall slightly.

Cattle inventories recuperated slightly during 1983. The recession caused a drop in meat demand, which greatly reduced slaughter. This more than offset any drought-induced stock losses. The slight recuperation in buying power that occurred among higher income classes during 1984 caused meat demand and slaughter to increase, thus forcing inventories down marginally. Above-average cow slaughter during the 1982 and 1983 droughts will also contribute to a reduction in cattle numbers during 1984 and 1985.

We estimate cattle slaughter in 1984 at 6.8 million head producing 1,318,000 MT of beef, up 7 percent from 1983 levels. Pasture conditions and water levels in reservoirs benefitted from above normal rainfall throughout most of the country in 1984;

but a recovery in dairy and livestock production will not occur until 1985 because of the depressed condition of the livestock industry over the last couple of years due to the 1982 and 1983 droughts and the economic recession.

Cattle slaughter should increase slightly in 1985 to 7.2 million head. Although efficient cattle producers have reportedly continued to make a profit, margins are slim. This has encouraged some culling of cows and convinced some of the inefficient producers to curtail operations.

For most medium-sized swine producers, 1983 was a bad year financially. Many smaller ones went bankrupt, causing swine inventories to decrease from 16,460 to 13,137 thousand head in 1983. During 1984, the large vertically integrated operations and the very small backyard producers have been attempting to adjust their production to low demand by reducing stock levels. Feedgrains continue to be in short supply and expensive relative to hog prices, reportedly resulting in no profits and possibly some financial losses for hog producers. The extent of the possible decrease in hog numbers in 1985 will depend on the upcoming grain crops, GOM import policy for feedgrains and oilseeds, and any GOM decision related to hog prices. Hog producers are hoping a price increase for pork during 1985 will restore profits. However, consumer reaction to higher prices will also affect pork demand and ultimately producer profitability.

Data on sheep are generally limited and their reliability questionable. The sheep and goat industries were greatly affected by the 1982 and 1983 droughts and the peso devaluations. As a result, the total slaughter fell to an estimated 4.6 million animals in 1983 and is expected to fall to about 4.46 million in 1984. Assuming that rainfall patterns will be normal and that purchasing power of consumers will experience a slight recovery, the number of animals slaughtered during 1985 is expected to increase to approximately 4.5 million.

Import market opportunities in the livestock sector will probably remain limited through 1984 and into 1985. The economic recession, which has reduced beef demand, the devalued peso, a high foreign debt, and a general shortage of credit are the major factors limiting import possibilities. The import demand for low priced meats such as mutton and offals will probably continue, but here again the availability of GOM credit could be a limiting factor.

DAIRY

Milk production decreased slightly in 1983 to 9.8 million metric tons, and continued to decrease in 1984 to an estimated 7.6 MMT. Despite the milk price increases in April and November, milk producers and processors remain in a tight financial position. Some sources report that milk processing plants are experiencing little profits and that only about 50 percent of total capacity is being utilized. Similarly, dairy farmers are showing little if any profits.

The dairy industry continues to suffer from basic structural inadequacies. These include: insufficient production credits at reasonable interest rates; inadequate technology and management at the production level; inadequacies in transportation and other physical infrastructure; and certain marketing and distribution difficulties.

Although milk production is generally expected to decrease somewhat this season, the dairy industry is hoping for a partial recovery in profit margins during 1985. This optimistic outlook is based on several factors, including the assumption that future milk price increases will be adequate. The favorable 1984 rainy season and normal rainfall in 1985 should improve pastures and result in higher grain production.

Total milk utilization in 1984 decreased to 7.6 million metric tons, liquid basis, and is expected to continue decreasing during 1985 because of short supplies.

Despite the decrease in milk output, dairy product production, mainly cheese, increased in 1983 and 1984 as milk was shifted to factory use. Dairy product production should decrease in 1985 as milk production declines.

Imports of non-fat dry milk (NFDM) increased to 122,000 MT in 1983 and 130,000 MT in 1984 because of low domestic fluid milk production during the same years. Import possibilities appear bright in 1985 because CONASUPO'S new rehydrating plant in Delicias, Chihuahua, is expected to be working at full capacity. Stocks of NFDM have fallen in the past two years as consumption has increased, requiring that imports be maintained or even increased. Besides the above factors, NFDM imports may increase because CONASUPO is expanding its sales of subsidized milk (20 pesos/lt) to low income families which earn only twice the minimum daily salary (presently around 900 pesos) and have children under 12 years of age. This milk is now the cheapest source of animal protein available to these families and thus may induce a diversion of part of the family's income from tortillas, beans, or soft drinks to this type of NFDM.

POULTRY

Poultry meat production in 1984 totalled about 705,000 MT, up 3 percent from the 1983 level. Chicken meat accounted for about 445,000 MT of this total. We forecast total poultry meat production to increase to about 720,000 MT in 1985. The price of broiler meat has increased slightly more than the price of feed comparing 1984 to 1983, encouraging producers to increase their total output. This situation is forecast to continue during 1985 since the shift from beef and pork consumption to lower-priced poultry meat is expected to continue to encourage poultry meat demand. The increase in 1985 production will likely be limited, however, as poultry producers will be facing higher input costs, which in turn should result in higher retail poultry meat prices.

We estimate that poultry meat imports decreased in 1983, partially because of increased production.

Imports should remain stable during 1984 and are expected to increase slightly during 1985, due to an increase in domestic poultry meat demand.

Egg production increased in 1983 to about 15,807 million pieces. Egg production probably increased in 1984 because of improved profit margins for producers; but this trend should reverse itself in 1985 due to the recent GOM decision to eliminate the 15 percent subsidy on grain sorghum and soybean meal sold to egg producers. Egg imports decreased substantially in 1984 but due to the subsidy elimination mentioned above are expected to increase in 1985.

GRAIN AND FEED

Total grain production, excluding dry beans, increased 18 percent to 17.3 million metric tons (MMT) in MY 1983/84, a substantial recovery from the drought-reduced level of 14.7 MMT experienced in MY 1982/83. Generally favorable weather, especially increased rains, was largely responsible for the increase. The area harvested also rose by about nine percent in MY 1983/84. As a result of the production increase, total grain imports decreased by about 10 percent in MY 83/84 to 6.6 MMT. Total grain production is forecast to increase six percent this season (MY 1984/85) to 18.3 MMT. As a result, imports are forecast to decrease about 15 percent to 5.6 MMT.

We estimate that wheat production increased to 4.2 MMT in MY 1984/85 compared to 3.2 MMT in MY 1983/84. Favorable rains and reservoir levels in MY 1984/85 increased the wheat area harvested and also increased yields, allowing production to recover from the drought-reduced level of MY 1983/84. Wheat imports should decrease to about 270,000 MT in MY 1984/85, down from the 570,000 MT imported during the previous year. All of the imported wheat is expected to be of feed quality with about 250,000 MT coming from Australia and only 20,000 MT coming from the U.S.

Corn production in MY 1984/85 is estimated at 9.5 MMT, slightly above the previous season's level of 9.3 MMT. Plantings were down from last year, but yields are anticipated to increase because of generally favorable weather conditions. Imports should total 2.5 MMT, about the same as last season, because the small anticipated increase in consumption will be basically offset by the higher production.

We forecast sorghum production in MY 1984/85 at 3.8 MMT, slightly below the previous season's level. Production from this year's fall harvest (November-December 1984) could be below that of last year because of lack of moisture in some areas of the Bajio region. Final output will depend on the spring/summer 1985 harvested crop. Based on our current production estimate, Mexico's sorghum imports are forecast to drop by about 1.0 MMT to around 2.4 MMT during MY 1984/85. This is largely due to CONASUPO'S successful efforts to rebuild sorghum stocks by 1.0 MMT last season. This stock level will probably be maintained during the MY 1984/85 season. Sorghum consumption could increase

slightly this year, assuming a small recovery in the hog and poultry sectors.

Barley production in MY 1984/85 should remain near the previous season's level of 410,000 MT. Favorable weather, especially good moisture conditions, are leading to expectations of a good crop. Barley consumption for malting is forecast to increase, but only slightly as domestic beer consumption remains about 20-25 percent below that of 1982. However a substantial increase in beer exports could cause malting barley utilization to increase above our present estimate. We do not expect any malting barley imports during MY 1984/85, although CONASUPO has purchased 100,000 MT of feed barley from Canada.

Rice production in MY 1984/85 should decrease for the second consecutive year. This season's production is forecast at about 250,000 MT milled basis versus 290,000 MT produced in MY 1983/84. Heavy rains during the planting season in Campeche, the second largest rice producing state, caused a drastic reduction in plantings there. As a result, production in Campeche will be significantly below last season's level. The short crops should cause rice imports to increase by at least 20 percent in MY 1984/85 to about 150,000 MT. Domestic rice consumption is anticipated to increase in 1984/85, partially as the result of continued population growth.

We forecast MY 1984/85 dry bean production at about 1.0 MMT, slightly below last season's production. Plantings were reportedly down a little this season with producers switching to more profitable crops. The crop was in good condition initially due to good moisture levels. However, tropical storms near harvest time adversely affected production. Based on CONASUPO stock levels and assuming the crop does not deteriorate further, CONASUPO will probably not need to import dry beans in MY 1984/85. CONASUPO has not imported dry beans for the past two seasons and actually exported about 110,000 MT of mostly feed grade, dry beans during MY 1983/84.

OILSEEDS

1983/84 Overview

We put total MY 1983/84 oilseed production at nearly 1.4 million MT, up 7 percent from the previous season. Larger outturns of cottonseed and soybeans accounted for most of the higher oilseed production. Total oilseed and products imports in MY 1983/84 rose sharply, primarily reflecting much larger soybean imports as sunflowerseed imports fell.

Soybean output in MY 1983/84 (September-August) increased nearly 10 percent from 1982/83 production to 600,000 tons due principally to more favorable weather in Sinaloa and Sonora during harvest time. Planted area remained the same at 370,000 hectares.

Based on data from the crushing industry, Mexican soybean crush in MY 1983/84 increased sharply to an

estimated 1.95 million MT. Larger soybean imports, reduced sunflowerseed imports, CONASUPO'S subsidization of both soybeans to the crushing industry and soybean meal to egg producers, and greater demand for poultry feed, especially during the second half of the season, stimulated increased soybean crush.

According to Conasupo data, Mexican soybean imports in MY 1983/84 from all origins increased 35 percent to 1.44 million MT, including an estimated 1.22 million MT from the United States. Of the 280,000 MT purchased from Brazil in 1984, only about 120,000 arrived in MY 1983/84. All of the 100,000 MT brought from Argentina in 1984 reportedly arrived by the end of August (in MY 83/84). Total CONASUPO purchases of soybeans in MY 1983/84 reached 1.53 million MT.

Mexico imported no soybean meal and 67,000 MT of soybean oil in MY 1983/84 (September-August). CONASUPO and the crushing industry favored a policy of importing seed first and purchasing products only to stabilize prices and/or alleviate temporary shortages.

Sunflowerseed imports in MY 1983/84 (October-September) declined 8 percent to 430,000 MT. This decrease reflected shorter supplies and higher sunseed prices in the United States, and Argentina's inability to fulfill all of the contract made with Mexico in January-February 1984. An estimated 330,000 MT of sunseed was imported from the United States in MY 1983/84. Argentina supplied only 100,000 MT out of total sales of 182,000 due to heavy rains during harvest time which reduced sunseed quality and supplies. Mexican sunseed crush in MY 1983/84 fell to an estimated 495,000 MT due to lower supplies. Sunflowerseed production in MY 1983/84 totaled only 10,000 MT. Mexico imported only 8,000 MT of sunseed oil in MY 1983/84.

Cottonseed output rose to an estimated 377,000 MT during MY 1983/84 (August-July), up 20 percent from 1982/83. Cottonseed crush in MY 1983/84 increased to an estimated 375,000 MT due to larger supplies. Mexico imported 45,000 MT of U.S. cottonseed in 1983/84 in order to help meet total domestic demand for vegetable oils.

Safflowerseed production in MY 1983/84 totaled an estimated 210,000 MT, much below the traditional output of about double this quantity. Planted area in Sinaloa and Sonora declined due to competition from wheat plantings. Safflowerseed production has declined in the last few years due to lower profitability compared to wheat. Reduced safflowerseed production has resulted in greater imports of sunflowerseed to meet growing demand for cooking oil. Safflowerseed crush in MY 1983/84 declined to an estimated 185,000 MT.

Sesame output totaled 70,000 MT in MY 1983/84, reflecting larger plantings due to stronger sesame prices. Guerrero, Sinaloa, Sonora and Michoacan are major growing areas. According to IMCE (Mexican Foreign Trade Institute), Mexico exported 24,500 MT of sesame in CY 1983, of which 20,350 went to the U.S.

1984/85 Outlook

Total Mexican oilseed production in MY 1984/85 is estimated to increase slightly to about 1.4 million MT, due principally to higher cottonseed production. A build up in stocks and a slight rise in crush are expected to result in larger total oilseed imports of at least 2.0 million MT in MY 1984/85.

We put MY 1984/85 soybean production at approximately 550,000 MT. This is below earlier estimates due to heavy rains in July and August which reduced yields in Sinaloa and Sonora, where about 80 percent of Mexico's soybeans are produced. Assuming a slight rise in soybean crush in MY 1984/85 to meet increasing feed and vegetable oil demand, Mexico's soybean imports in MY 1984/85 are forecast to increase to 1.5 million MT.

We put MY 1984/85 production of safflowerseed at 200,000 MT, up only slightly from the previous year. Safflower plantings this fall are expected to suffer again from increased wheat competition due to high reservoir levels and a low safflower guarantee price announced in October. Continued limited safflower output is expected to result in MY 1984/85 Mexican imports of sunflowerseed of 500,000 MT, with the U.S. supplying most of the market. Mexico will continue to import small amounts of rapeseed in MY 1984/85. These imports will likely be supplemented by imports of up to 100,000 MT of either soybean oil and/or sunflowerseed oil to satisfy total domestic consumption requirements for vegetable oils.

Data from the Mexican Asociacion Nacional de Industriales de Aceites y Manteca Comestibles (National Association of Industrialists of Edible Oils and Shortening) show that Mexico's oilseed crushing capacity is concentrated in 4 states - Jalisco, Sonora, State of Mexico/Federal District, and Sinaloa. They account for 70 percent or 13,745 of Mexico's total crushing capacity of 19,710 tons/day. Mexico's oil refining capacity is similarly concentrated in 4 states - Mexico, Jalisco, the Federal District and Nuevo Leon account for 72 percent or 4,479 of Mexico's total refining capacity of 6,244 tons/day.

SUGAR, HORTICULTURAL AND TROPICAL PRODUCTS

An increase in harvested sugarcane area resulted in about a 5-percent increase in 1983/84 total sugar output to 3.045 million MT (3,242,000 MT raw basis).

Azucar, S.A., the parastatal sugar company, imported in 1983/84 the 270,254 MT (raw value) of the delayed delivery portion of the 1982/83 sugar purchase. Since production has increased and consumption has remained about steady in 1983/84, stocks are adequate to cover current domestic consumption and little to no imports are expected.

The U.S. imports a large percentage of its winter vegetables from Mexico. In MY 1983/84 about 40 to 50 percent of the U.S. winter tomato consumption originated in Mexico.

The Confederation of Agricultural Associations of the State of Sinaloa (CAADES), recorded a 50-percent increase over the previous season in area planted to vegetables and melons in 1983/84. Favorable prices for products exported to the U.S. was the stimulus here. Weather during the growing season was normal and yields were average. The increase in supplies allowed exports to increase substantially.

Planted area for all vegetables and melons in Sinaloa for the 1984/85 season may increase about 10 percent over the previous season, although exports may not increase proportionately. The Mexican Vegetable Growers Association (UNPH) carefully watches the effect of Mexico's vegetable prices on U.S. prices. If export shipments were to depress U.S. market prices, UNPH would likely restrict the volume shipped by imposing stricter quality controls on its own products.

We estimate 1983/84 coffee production at 4.37 million bags. A slight increase in yields is expected for 1984/85, and production should total about 4.45 million bags. There has been extensive planting of coffee trees in 1984 in the Huasteca area of the states of San Luis and Puebla to replace the trees damaged by the December 1983 freeze. The Instituto Mexicano del Cafe (INMECAFE) reported that, in 1983/84, Mexico filled its export quota under the International Coffee Organization (ICO) of 2.047 million bags and shipped 860 thousand bags to non-ICO member countries. For 1984/85, we estimate Mexico's total coffee bean exports at 3.1 million bags, with around 2.0 million bags under the ICO quota and about 1.1 million bags to non-ICO member countries.

Cocoa bean production in MY 1982/83 totaled 40,000 MT. Production in MY 1983/84 will probably decline to 38,000 MT, reflecting excessive disease problems and heavy summer rains.

Exports in 1983 totaled 18,000 MT and in 1984 should fall to about 16,000 MT. Domestic utilization amounted to 22,000 MT in 1984, and ending stocks reached approximately 18,000 MT.

Mexican honey production is expected to reach about 55,000 MT in CY 1984, following a record output of 68,000 MT in CY 1983 due to exceptionally favorable weather conditions. There are currently about 2.3 million hives. Honey exports in CY 1984 should reach about 45,000 MT, reflecting reduced international prices and increased competition.

Domestic utilization has been fairly stable over recent years ranging between 8-9,000 MT annually.

COTTON AND TOBACCO

Final industry data indicate 1983/84 Mexican cotton

production (August-July) reached only 996,000 bales (500 lb. net.). Output rose principally due to an increase in planted acreage to 255,000 hectares. Cotton use in 1983/84 declined to an estimated 115,000 tons due to depressed consumer income and severe financial difficulties faced by many textile mills stemming from the 1982 peso devaluation. The Mexican Cotton Confederation reports official cotton exports in 1983/84 totaled nearly 456,000 bales. In early October 1983, the GOM lifted the embargo on cotton exports imposed in April 1982, and announced a preliminary export quota of 200,000 bales to expire December 31, 1983.

Cotton production during 1984/85 should increase to an estimated 1.2 million bales, still significantly below Mexico's traditional output of around 1.5 million bales. Output is expected to rise from the previous season principally due to larger planted area estimated at 325,000 hectares. The increased acreage was stimulated by higher cotton prices. Production will fall below the level anticipated earlier in 1984 due to heavy rains in late July and August in Sonora and Sinaloa which sharply reduced yields.

Cotton use is expected to increase slightly in 1984/85 to 120,000 tons or more. Higher economic growth in 1985, a slight improvement in the financial situation of many textile mills and lower real cotton prices are expected to increase cotton use in 1984/85. Cotton exports in 1984/85 may increase to 625,000 bales, up from last season due to larger export availabilities. Export sales for 1984/85 were slow in the spring and early summer of 1984, however, because of uncertainty over the GOM policy that required an export permit for any cotton exports. The GOM on August 7, 1984, exempted cotton from those commodities which require prior export permission.

We put total tobacco leaf production in CY 1983 at 60,000 MT (dry weight). Production in CY 1984 will probably decline to about 55,000 MT as a consequence of heavy rains and an outbreak of blue mold in the Gulf coast regions of Veracruz, Oaxaca and Chiapas. Problems with vetch in Nayarit, the main producing state in the country, also contributed to the decline.

We put domestic utilization in 1983 at 42,000 MT with use declining to 40,000 MT in 1984, reflecting lower cigarette production and depressed consumer income. Exports will also be off from 18,000 MT in 1983 to 16,000 MT in 1984.

Retail cigarette price were increased an average of 25 percent in October 1984, in an attempt to offset increases in tobacco prices granted previously.

Outlook for Agricultural Sector

The constraints imposed by the current economic crisis will force Mexican policymakers to grapple with traditional goals in the agricultural sector such as maintaining producer income, assuring reasonable prices to the consumer and increasing agricultural production. This is a formidable task

in view of the Mexican government's determination to reduce public sector spending, a major part of which is subsidies, while finding employment for the growing body of under-and unemployed workers, and continuing to assure adequate supplies of basic foodstuffs at affordable prices.

In 1984, the Mexican agricultural situation was strongly influenced by production developments during 1983. Favorable rainfall in 1983 increased production, especially of corn and sorghum. This will probably reduce total agricultural imports in CY 1984 about 20 percent to a little less than 9 million MT, with a value exceeding \$2 billion dollars. The U.S. share of total agricultural imports is expected to fall to about 85 percent, despite the availability of GSM-102 credit guarantees. This is due primarily to high U.S. oilseed and grain prices that reflected damage from the severe 1983 U.S. summer drought. We tentatively estimate about a 5-percent increase in total 1984/85 production of grains, oilseeds and pulses over 1983/84 output following generally favorable weather over the summer of 1984.

Nevertheless, production of grains and oilseeds is not likely to return quickly to 1981/82 levels. Most producers remain discontented over the current cost/price squeeze, despite the increases in guarantee prices announced in October 1984. Despite the large nominal increases in these prices averaging 69 percent, prices for only six of the major products were increased in real terms (accounting for inflation), while the other five products received a cut in the real price guarantee. In addition, of the six products receiving real price increases, three of the increases were for minor oilseed crops in terms of output (copra, sesame, sunflowerseed). Significantly, prices of corn, sorghum and soybeans, the three largest import products, were increased in real terms. The GOM is constantly being pressured to raise support prices because of the general inflation rate of 55-60 percent in 1984. Fertilizer prices in 1984 will increase 30-50 percent, insecticide prices 50-80 percent, and seed prices 30-110 percent.

In October 1984, the GOM announced an increase in retail prices for eggs to 198 pesos/kg, for vegetable oil to 249 pesos/liter, for rice to 120 pesos/kg, and dry beans to 63 pesos/kg. At this date, the exchange rate was U.S. \$1=190 pesos. In December the GOM increased the price of tortillas to 32 pesos/kg, while bread-rolls were increased to 5 pesos each. The GOM allocated large subsidies in order to increase guarantee prices to farmers and still maintain food prices at the above ceiling levels in 1984. The total cost of subsidies for tortillas and bread and rolls (teleras and bolillos) may reach 190 billion pesos in 1984. Tortillas receive a subsidy of 25 pesos/kg while each bread or roll of 70 grams receives 2 pesos. Dry beans and eggs receive a subsidy of 30 and 15 pesos/kg respectively, costing an estimated 41 billion pesos in 1984. Subsidies on milk will cost an estimated 20 billion pesos this year. Food subsidies for all basic products in 1984 will total about 245 billion pesos according to CONASUPO.

Decreases in real income caused by the recession are continuing to restrain consumer demand for livestock products. This reduced demand and the droughts in 1982 and 1983 have cut production of livestock and products, forcing prices up and causing a decline in consumption of total meat and milk in 1984. We estimate that total meat and milk consumption fell 3 and 22 percent respectively in 1984. A modest recovery in economic growth could occur in 1985, feed supplies could increase, and pasture conditions could improve, resulting in a slight recovery in animal numbers and meat production and consumption in 1985. However, the level of Mexico's animal protein consumption will continue to be strongly affected by GOM import policy for feedgrains and livestock products and future changes in price policy, especially for milk and eggs.

Conasupo's imports from January through October 1984 totalled 7.49 million MT, or about 750,000 MT per month. Transportation bottlenecks have not appeared thus far despite an increase in imports of industrial goods. The Agricultural Counselor and USDA/Washington work closely with Conasupo and Mexican transportation agencies in a bilateral working group on transportation designed to solve or headoff problems in this area.

TABLE 1

BASIC INDICATORS

	Mexico	U.S.
<u>Total Area</u>		
(000 sq. miles)	761	3,537
(000 sq. kms.)	1,971	9,055
<u>Population (millions)</u>		
Total	78.0 <u>12/</u>	234.2 <u>11/</u>
Economically active labor force	22.00 <u>14/</u>	100.8 <u>5/ 11/</u>
Employment in agriculture	8.3 <u>14/ 7/</u>	3.4 <u>5/ 11/</u>
Agriculture as percent of economically active labor force	37.8 <u>14/ 7/</u>	3.4 <u>5/ 11/</u>
<u>Total Land In Farms</u>		
(million acres)	57.1	1,038.5 <u>4/10/</u>
(million hectares)	23.1 <u>6/</u>	420.4 <u>4/10/</u>
<u>Farm Size</u>	<u>Acres</u> <u>Hectares</u>	<u>Acres</u> <u>Hectares</u>
	(private landowners) <u>6/8/</u>	
Average	31.1 12.6	431 <u>1/4/</u> 174.4 <u>1/4/</u>
More than 5 ha.	70.9 28.7	N.A. N.A.
Less than 5 ha.	3.7 1.5	N.A. N.A.
<u>Gross Domestic Product</u>		
<u>At Current Market Prices</u>		
(billion U.S.\$)	145 <u>9/ 11/</u>	3,304.8 <u>5/11/</u>
<u>Agriculture As A Percent</u>		
<u>Of GDP</u>	9.3 <u>2/ 11/</u>	1.9 <u>5/ 11/</u>
<u>Expenditure On Food As A</u>		
<u>Percent Of Total Household</u>		
<u>Expenditure</u>	40.8 <u>13/ 14/</u>	19.9 <u>5/ 10/</u>

1/ 19812/ Annual Report 1983, Bank of Mexico3/ Agricultural Outlook, USDA, January-February 19824/ Agricultural Statistics, USDA, 19835/ Survey of Current Business, September 19846/ 1970 Agriculture, Livestock and Ejidal Census7/ Includes livestock, forestry and fisheries

8/ These are the only reliable data on farm size available to date. The 1970 census accounted for about 23 million hectares of cultivated land on 846,994 farms, of which about 97 percent were privately owned. Of these, 40 percent exceeded 5 hectares and 59 percent were less than 5 hectares in size. The remaining 1 percent, or 22,055 farms were ejidal and comunal parcels.

9/ 1983. Trade and Economic Information Division

International Agricultural Statistics

Foreign Agricultural Service, USDA

10/ 198211/ 198312/ USAD, Mid- July 1984

13/ Probably includes some expenditures for beverages, tobacco and public transport.

14/ 1984, estimated from internal Mexican Government data

TABLE 2

ECONOMIC AND STATISTICAL PROFILE OF
MEXICO
(ALL UNITS IN MILLIONS)

ECONOMIC INDICATORS	1977	1978	1979	1980	1981	1982	1983
I. SOCIAL INDICATORS							
POPULATION	64.59	65.43	67.42	69.35	71.19	73.01	-
PERCENT CHANGE	3.63	1.30	3.04	2.86	2.65	2.56	-
PERCENT URBAN	2.24E+09	4.41E+09	7.11E+09	4.03E+09	3.78E+09	-	-
II. LABOUR FORCE							
TOTAL LABOR FORCE	12,210.00	8,360.00	7,760.00	0.00	0.00	-	-
INDUST. EMPLOYED INDEX (1980=100)	-	-	-	-	-	-	-
III. GNP OR GDP (L.C.)							
GNP CURRENT	1,806,400	2,284,900	2,990,400	4,159,300	5,674,300	8,908,200	-
REAL (1980)	-	-	-	-	-	-	-
PERCENT CHANGE	-	-	-	-	-	-	-
GDP CURRENT	1,849,300	2,337,400	3,067,500	4,276,500	5,874,400	9,417,100	174,29700
REAL (1980)	3,341,200	3,617,100	3,948,300	4,276,500	4,616,900	4,591,500	4,378,100
PERCENT CHANGE	3.44	8.26	9.16	8.31	7.96	-0.55	-4.65
IV. CONTRIBUTION TO GDP (PERCENT)							
INDUSTRY	34.03	33.98	34.93	37.29	36.48	-	-
SERVICE	56.56	56.86	56.99	55.48	56.60	-	-
AGRICULTURAL	10.53	10.25	9.17	8.35	8.13	-	-
V. PER CAPITA GNP OR GDP (L.C.)							
GNP CURRENT	27,967	34,921	44,355	59,975	79,706	122,013	-
REAL (1980)	-	-	-	-	-	-	-
PERCENT CHANGE	-	-	-	-	-	-	-
GDP CURRENT	28,631	35,724	45,498	61,665	82,517	128,984	-
REAL (1980)	51,729	55,282	58,563	61,665	64,853	62,889	-
PERCENT CHANGE	-0.18	6.87	5.93	5.30	5.17	-3.03	-
VI. INVESTMENTS							
(L.C.)	363,300	492,400	718,500	1,032,900	1,509,400	2,098,800	-
PERCENT OF GNP	20.11	21.55	24.03	24.83	26.60	23.56	-
VII. PRICE INDICES (1980)							
GNP IMPLICIT DEFLATOR	-	-	-	-	-	-	-
PERCENT CHANGE	-	-	-	-	-	-	-
GDP IMPLICIT DEFLATOR	55	65	78	100	127	205	398
PERCENT CHANGE	30.39	16.75	20.23	28.72	27.24	61.19	94.11
CPI	57	67	79	100	128	203	410
PERCENT CHANGE	28.96	17.54	18.06	26.42	27.90	58.95	101.87
WHOLESALE	59	68	80	100	124	194	403
PERCENT CHANGE	41.17	15.77	18.29	24.52	24.44	56.06	107.37

TABLE 2

(Cont.)

ECONOMIC AND STATISTICAL PROFILE OF
MEXICO
(ALL UNITS IN MILLIONS)

ECONOMIC INDICATORS	1977	1978	1979	1980	1981	1982	1983
VIII. INTERNATIONAL RESERVES							
TOTAL (U.S. \$)	1,649	1,842	2,072	2,960	4,074	834	3,913
FOREIGN EXCHANGE	1,592	1,786	1,871	2,688	3,709	828	3,795
IMPORT COVERAGE RATIO (MONTHS)	3.36	2.93	2.06	1.83	2.03	0.66	5.72
IX. EXTERNAL DEBT							
TOTAL (U.S. \$)	20,758	25,615	29,242	33,586	42,642	-	-
INTERNATIONAL ORGANIZATIONS	2,095	2,365	2,726	3,196	3,666	-	-
FOREIGN GOVERNMENTS	947	1,070	971	1,286	1,664	-	-
PRIVATE BANKS	17,716	22,180	25,544	29,104	37,312	-	-
DEBT SERVICE RATIO	-	-	-	-	-	-	-
CONCESSIONAL CREDIT/TOTAL CREDIT	2.03	1.63	1.45	1.24	1.00	-	-
X. DOMESTIC FINANCIAL SITUATION							
MONEY SUPPLY (L.C.)	208,200	270,200	360,900	477,200	635,000	1,047,000	1,466,700
PERCENT CHANGE	31.77	29.78	33.57	32.22	33.07	64.88	40.09
GOVERNMENT FISCAL BAL. (L.C.)	-	-	-	-	-	-	-
PERCENT OF GNP	-	-	-	-	-	-	-
XI. EXCHANGE RATE							
L.C. PER \$U.S.	22.5730	22.7670	22.8050	22.9510	24.5150	56.4020	120.0940
XII. BALANCE OF PAYMENTS							
TRADE BALANCE (U.S. \$)	-1,854	-3,171	-5,459	-8,162	-13,899	-2,943	-
EXPORTS	4,604	6,246	9,301	16,066	19,938	21,374	-
IMPORTS (FOB)	-5,625	-7,992	-12,131	-18,896	-24,037	-14,489	-
CURRENT ACCOUNT BALANCE	-3,028	-5,022	-8,420	-11,124	-18,112	3,839	-
FOR. EXCH. EARNINGS / CAPITA U.S. \$	55	69	96	191	222	387	-
XIII. FOREIGN TRADE DEPENDENCE							
EXPORTS AS A PERCENT OF GNP	10.56	10.71	11.48	12.92	12.36	18.37	-
IMPORTS AS A PERCENT OF GNP	10.46	11.29	12.77	13.89	14.07	11.83	-
OIL AS A % OF ALL IMPORTS	-	-	-	-	-	-	-

NOTE: (-) DENOTES NOT AVAILABLE, UNKNOWN OR NOT APPLICABLE
(L.C.) DENOTES LOCAL CURRENCY
PERCENTAGES MAY NOT CALCULATE DUE TO ROUNDING OF DATA

TRADE AND ECONOMIC INFORMATION DIVISION
INTERNATIONAL AGRICULTURAL STATISTICS
FOREIGN AGRICULTURAL SERVICE, USDA

OCTOBER 1984

TABLE 3
FOREIGN TRADE
(billion U.S.\$)

	Mexico <u>1/</u>	U.S. <u>2/</u>
TOTAL MERCHANDISE EXPORTS		
1977	4.4	118.9
1978	6.2	143.6
1979	8.8	181.7
1980	15.3	220.5
1981	19.4	235.7
1982	21.2	212.3
1983	21.4	200.5 <u>3/</u>
TOTAL MERCHANDISE IMPORTS		
1977	5.9	148.7
1978	8.1	171.9
1979	12.0	206.3
1980	18.5	240.8
1981	23.1	261.3
1982	14.4	243.9
1983	7.7	258.0 <u>3/</u>
Total U.S. exports to Mexico, CY 1983		\$ 9,078 million <u>3/</u>
Total U.S. imports from Mexico, CY 1983		\$16,776 million <u>3/</u>
U.S. Net Trade Balance With Mexico		\$-7,698 million

1/ Bank of Mexico

2/ U.S. Bureau of Census

3/ U.S. Department of Commerce

TABLE 4

U.S. AGRICULTURAL EXPORTS-TOP TEN COUNTRY MARKETS
BY VALUE, FISCAL YEARS 1982 AND 1983

Country of destination <u>1/</u>	<u>1982</u>	<u>1983</u>	Change
	Bil. dol.	Bil. dol.	Percent
Japan	5.712	5.877	+ 3
Netherlands	3.256	2.765	-15
Canada	1.845	1.850	-
Mexico	1.493	1.777	+19
South Korea	1.607	1.713	+ 7
West Germany	1.572	1.454	-8
Taiwan	1.166	1.236	+ 6
Spain <u>2/</u>	1.605	1.038	-35
USSR	2.301	.976	-58
Egypt	.883	.889	+ 1

1/ Not adjusted for transshipments.

2/ Includes Canary Islands.

Source: Foreign Agriculture, USDA, February 1984.

TABLE 5

U.S. Agricultural Exports-Top Ten Export Commodities To Top Ten Country Markets in Fiscal 1983
(In Million Dollars)

COUNTRY 1/	Corn	Wheat 2/ & Flour	Soybeans	Cotton	Soybean Meal	Rice	Horticul- tural Prod.	Tobacco	Livestock and Products	Feeds & Fodders
Japan	1,597	579	1,116	466	142	-	469	314	765	8
Netherlands	56	55	1,113	2	643	11	88	68	85	450
Mexico	530	1	219	7	7	-	19	-	139	50
South Korea	487	301	170	392	1	61	12	-	220	17
Egypt	185	495	4	-	-	-	3	35	113	6
Canada	28	4	73	79	47	43	825	14	226	93
West Germany	43	11	456	6	149	6	137	174	82	236
USSR	322	497	48	72	-	-	5	2	32	-
Spain	251	10	527	24	1	7	27	107	36	6
Taiwan	382	105	336	96	4	-	53	51	122	-
TOTAL	3,881	3,577	4,556	1,615	775	164	1,729	717	1,729	845

1/ Not adjusted for transshipments. 2/ Includes products.

SOURCE: Foreign Agriculture, USDA, February 1984

TABLE 6

PRINCIPAL MEXICAN AND U.S. CROP PRODUCTION AND AREA, 1982 AND 1983

	Harvested Area (000 ha.)				Production (000 mt.)			
	Mexico		U.S.		Mexico		U.S.	
	1982	1983	1982	1983	1982	1983	1982	1983
Wheat	950	840	31,963	24,885	4,200	3,200	76,538	66,009
Rice, milled	170	170	1,320	878	340	290	6,967	4,523
Sorghum	1,100	1,400	6,391	4,532	2,800	4,000	27,657	18,219
Corn	6,000	6,500	32,867	24,106	7,000	9,300	314,511	193,005
Barley	240	250	3,688	4,007	320	410	11,374	11,300
Oats	111	153	4,297	3,682	259	161	9,007	6,928
Beans, dry	1,600	800	708	147	900	1,100	1,136	692
Chickpeas	153	165	N.A.	N.A.	144	157	27	21
Potatoes	73	61	515	501	1,054	805	15,958	14,774
Onions	25	26	51	49	425	427	1,889	1,740
Sugarcane	460	475	307	310	31,150	32,482	27,007	26,892
Tobacco	43	42	337	317	68	66	899	640
Cotton	204	245	3,937	2,967	188	226	2,605	1,682
Cottonseed	N.A.	N.A.	N.A.	N.A.	313	377	4,304	817
Sunflower seed	20	15	1,912	1,238	13	10	2,419	1,447
Copra	100	100	N.A.	N.A.	100	110	N.A.	N.A.
Soybeans	350	350	28,256	25,157	550	600	60,677	43,421
Peanuts, in shell	45	45	516	557	50	60	1,560	1,485
Sesame seed	90	130	--	--	45	70	--	--
Safflower seed	330	160	56	N.A.	370	210	100	N.A.
Watermelons	29	33	N.A.	N.A.	375	331	N.A.	N.A.
Cantaloupes	21	27	N.A.	N.A.	263	295	N.A.	N.A.
Tomatoes	53	50	50	50	1,280	1,010	1,224	1,238
Peppers, green	66	52	N.A.	20	554	443	N.A.	221
Oranges	171	165	N.A.	N.A.	2,025	2,062	6,895	8,631
Strawberries	4	4	N.A.	N.A.	64	81	439	446
Bananas	74	77	N.A.	N.A.	1,239	1,617	3	2
Pineapples	9	5	N.A.	N.A.	440	250	608	49
Grapes	60	57	N.A.	N.A.	678	604	5,946	4,791
Coffee	356	356	1	1	234	272	1	1
Cocoa beans	83	82	--	--	40	38	--	--
Henequen	139	141	--	--	83	71	--	--

1/ Dry edible peas.

N.A.= Not Available

-- = None or insignificant

Sources:

U.S. Data: Annual Crop Summary, Jan. 1984
Crop Reporting Board, SRS, USDA
Agricultural Statistics 1983, USDA

Mexican Data: Embassy estimates
based on information
from public and
private sources.
Mexican government
statistical publica-
tions, and producer
associations.

TABLE 7

LIVESTOCK AND POULTRY NUMBERS
(million head)

	<u>Mexico</u>	<u>U.S.</u>
All Cattle		
1979	31.3	110.8
1980	31.4	111.2
1981	34.0	114.3
1982	34.7	115.6
1983	33.9 <u>1/</u>	114.0 <u>1/</u>
Dairy Cows (Milk producing)		
1979	5.2	10.8
1980	5.2	10.8
1981	5.3	10.9
1982	5.2	11.0
1983	5.9 <u>1/2/</u>	10.9 <u>1/</u>
Hogs		
1979	12.7	67.3
1980	13.8	67.3
1981	15.4	64.5
1982	16.2	58.7
1983	16.5 <u>1/</u>	53.9
Sheep		
1979	7.9	12.3
1980	8.0	12.7
1981	6.5	12.9
1982	6.3	13.1
1983	6.1 <u>1/2/</u>	N.A.
Laying Hens and Pullets		
1979	45.3	294.9
1980	49.0	294.2
1981	52.5	292.5
1982	50.0	N.A.
1983	54.0 <u>1/2/</u>	N.A.

1/ Preliminary.

2/ Estimate of Agricultural Counselor's Office.

N.A.=Not Available

Source: Agricultural Statistics, U.S. Department of Agriculture.

TABLE 8

MEXICAN AGRICULTURAL COMMODITY SUPPORT PRICES
Marketing Years 1980/81-1984/85, and 1984/85 as Percentage of 1983/84
(pesos per metric ton)

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u> (May)	<u>1984/85</u> (Oct)	<u>1984/85</u> <u>1983/84</u> (%)
Paddy rice	4,450	6,500	9,400	21,000	29,400	34,000	61.9
Barley, common	3,300	3,300	3,300	11,100	11,100	N.A. <u>1/</u>	N.A.
Barley, malting	5,800	6,200	8,850	19,200	19,200	36,500 <u>2/</u>	90.1
Beans, Common	12,000	16,000	21,100	33,000	44,000	52,850	60.1
Corn	4,450	6,550	8,850	19,200	28,500	33,450	74.2
Sorghum	2,900	3,930	5,200	12,600	21,000	23,000	82.5
Wheat	3,550	4,600	6,930	18,200	27,300	27,300	50.0
Sesame	11,500	15,525	20,900	50,000	75,000	110,000	120.0
Safflower	6,000	7,800	15,000	26,400	38,500	38,500	45.8
Soybeans	8,000	10,800	15,300	31,000	50,000	56,000	80.6
Sunflower seed	8,000	11,200	15,100	30,600	53,200	66,900	186.3
Cotton seed	5,000	6,750	9,600	19,900	27,900	32,100	61.3

N.A. = Not applicable.

1/ No new support price was announced.

2/ Commercial price for malting barley.

Source: CONASUPO

TABLE 9

MEXICAN AND U.S. SUPPORT PRICES, 1984
(US\$ per M.T.)

	Mexico <u>1/</u>	U.S. <u>2/</u>
Wheat	137.88	160.94
Corn	168.94	119.29
Rice (paddy)	171.72	262.35
Sorghum	116.16	113.38
Barley		
Malting	184.34	None
Common	N.A.	119.42
Dry Beans		
Common	266.92	None
Soybeans	282.83	184.45 <u>3/</u>

1/ Mexican support prices are those in effect October 1984.
Pesos converted to U.S.\$ at October 1984 average rate of
Mex. \$198 equals U.S.\$1.00

2/ U.S. support prices are target prices for 1984

3/ Loan rate

TABLE 10

SELECTED *
 U.S. AGRICULTURAL EXPORTS *
 PERIOD: JAN-DEC CUMULATIVE *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

Commodity Exported & Area Or Country of Destination: MEXICO	Units	Quantity		%	Value		%
		1982	1983		1982	1983	
		Units	Units		1000 Dlrs.	1000 Dlrs	Val Chng
Wheat & Wheat Flour	MT	397,655	5,124	-99	72,738	593	-99
Rice	MT	973	148	-85	450	83	-82
Corn	MT	244,497	4,700,745	***	32,603	643,414	***
Grain Sorghum	MT	1,412,463	3,294,243	+133	165,498	438,615	+165
Barley & Oats	MT	6,604	1,633	-75	891	202	-77
Other Grains, Grain Products	MT	32,332	67,868	+110	9,845	16,600	+69
Feeds & Fodders	MT	66,505	30,441	-54	12,352	6,933	-44
Seeds	MT	66,245	73,111	+10	54,928	71,917	+31
Pulses	MT	130,321	560	-100	90,955	288	-100
Soybeans	MT	287,302	942,536	+228	75,782	234,653	+210
Other Oilseed	MT	642,957	393,964	- 39	191,629	119,035	-38
Soybean Oils	MT	106,792	684	- 99	63,009	450	-99
Cottonseed Oil	MT	31	7,346	***	19	3,866	***
Other Veg Oils, Waxes & Products	MT	10,237	91,681	+796	10,258	50,324	+391
Soybean Cake & Meal	MT	38,540	168,706	+338	9,195	41,752	+354
Other Cakes & Meals	MT	6,918	150	-98	983	36	-96
Cotton-Incl Linters	MT	8,577	14,018	+ 63	2,126	6,097	+187
Poultry Meat	MT	12,203	6,000	-51	13,591	5,252	-61
Other Poultry Products	MT	220	1	-99	17,482	6,492	-63
Nonfat Dry Milk	MT	8,595	71,553	+733	10,304	70,246	+582
Other Dairy Products	MT	29,220	28,145	-4	45,700	35,217	-23
Fresh Citrus	MT	562	899	+60	167	161	- 3
Other Fresh Fruit	MT	11,636	4,920	-58	5,892	2,445	-59
Canned Fruit	MT	458	644	+41	422	883	+109
Dried Fruit	MT	1,755	164	-91	1,733	158	-91
Fruit Juices	MT				1,286	1,518	+18
Other Fruits, preparations	MT	700	95	-86	330	66	-80
Nuts & Preparations	MT	865	177	-80	2,336	437	-81
Vegetable Preparations	MT	23,465	12,380	-47	24,108	11,360	-53
Wines & Beer	xxx				3,251	648	-80
Tobacco	MT	3		-85	8	3	-67
Live Animals	xxx				38,167	8,194	-79
Beef & Veal	MT	1,301	258	-80	3,586	745	-79
Pork	MT	9,823	10,290	+ 5	7,241	6,470	-11
Variety Meats	MT	26,763	21,333	-20	20,992	13,396	-36
Lard	MT	24,589	19,717	-20	14,759	10,661	-28
Tallow & Greases	MT	78,091	86,916	+11	36,441	37,169	+2
Hides & Skins	xxx				64,217	52,182	-19
Furskins	xxx				59	38	-36
Other Livestock Products	MT	21,191	7,579	-64	28,650	14,258	-50
Sugar & Tropical Products	MT	19,038	54,092	+184	22,312	29,573	+33
GRAND TOTAL		3,729,425	10118,121	+171	1,156,296	1,942,429	+68

SOURCE: U.S. Census Data (Unadjusted).

NOTE: Unconvertible units excluded from quantity figures.

TABLE 11

SELECTED *
 U.S. AGRICULTURAL IMPORTS *
 PERIOD: JAN-DEC CUMULATIVE *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

Commodity Imported & Area Or Country of Origin: MEXICO	Units	Quantity		%	Quan Chng	Value		%
		1982	1983			1982	1983	
		Units	Units			1000 Dlrs.	1000 Dlrs.	Val Chng
Barley and barley								
Malt	MT	11	7	- 31		3	1	-72
Seeds	MT	570	379	- 34		3,880	3,010	- 22
Pulses	MT	7,400	13,005	+ 76		6,052	6,234	+ 3
Other Grains & Feed Products	MT	16,444	10,899	- 34		12,100	10,315	- 15
Coconut Oil	MT		391				308	
Other Oilseeds & Products	MT	25,623	25,065	- 2		26,159	25,472	- 3
Raw Cotton	MT	6,034	278	- 95		7,318	325	- 96
Linters & Silk	MT	3,829	5,457	+ 43		1,248	3,120	+150
Cheese, except Cottage	MT			-100		2		-100
Other Dairy Products	MT		3				3	
Eggs & Egg Products	MT	1	1	- 34		2	2	+ 29
Meats P.L. 88-482	MT	344	1,227	+257		882	3,526	+300
Other Beef & Veal	MT	15		-100		11		-100
Pork, Fr., Chilled Frozen	MT			-100		1		-100
Wool	MT	3	6	+ 85		4	9	+ 96
Hides & Skins	xxx					15	75	+386
Furskins	xxx					18	57	+220
Cattle, Live	No	509,685	561,746	+ 10		115,028	138,902	+21
Other Livestock & Meat Products	xxx	129	454	+251		6,782	7,797	+ 15
Tomatoes, Fresh	MT	267,224	332,604	+ 24		173,373	227,192	+ 31
Mushrooms, Canned	MT		2				3	
Strawberries, Frozen	MT	13,580	15,353	+ 13		15,222	13,293	- 13
Bananas & Plantains, Fresh	MT	11,472	37,176	+224		3,065	9,192	+200
Orange Juice, Concentrate	LIT	66,063,565	98,853,083	+ 50		15,028	19,683	+ 31
Wines, Champagne, Beer, Ale, Etc.	LIT	45,671,677	47,446,703	+ 4		29,831	28,204	- 5
Other Fruit, Nut & Veg Prdoucts	xxx	1,923,099	24,191,031	***		403,804	373,894	- 7
Tobacco	MT	6,498	12,354	+ 90		19,089	38,667	+103
Sugar, Raw & Refined	MT	130	29,172	***		77	13,700	***
Molasses	MT	105,175	124,572	+ 18		5,999	4,485	- 25
Honey	MT	12,529	20,020	+ 60		9,491	15,820	+ 67
Fibers	MT	9,109	10,411	+ 14		18,124	19,523	+ 8
Cocoa Beans & Chocolates	MT	2,185	11,317	+418		4,670	19,300	+313
Coffee, Green, Roasted & Soluble	MT	86,893	96,875	+ 11		264,468	276,739	+ 5
Spices	MT	4,850	3,832	- 21		4,082	2,778	- 32
Other Sugar & Tropical Products	MT	4,703	3,223	- 31		12,769	15,249	+ 19
GRAND TOTAL 1/						1,158,598	1,276,881	+ 10

SOURCE: U.S. Census Data (Unadjusted).

1/ Quantity totals are not meaningful where units of measure differ.

TABLE 12

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
WHEAT, FLOUR & PROD.					
WHEAT,NOT RELIEF 1306540 MT		393,057	4,974	72,581,614	553,425
WHT,DF FL&SML,NT RLF 1314020 MT		2,285	10	71,071	2,418
WHT FLOUR,NT RLF,NEC 1314040 MT		2,314	140	84,865	37,259
MACARONI,NOODLES,ETC 1823800 MT		15	14	19,791	13,480
SUBTOTAL.....		397,671	5,138	72,757,341	606,582
RICE					
RICE,PADDY OR ROUGH 1305000 MT		46	2	10,178	1,360
RICE,MSK,BWN,LNG GRN 1305520 MT		278	1	117,778	900
RICE,MSK,BWN,MED GRN 1305540 MT		26	0	9,970	0
RICE,MSK,BWN,MIXED 1305580 MT		0	16	0	10,570
HD RICE,LG,PB,NT RL 1313015 MT		51	0	29,143	0
HD RC,NT LG,PB,NT RL 1313025 MT		11	0	22,676	0
HD RICE,X PR,LNG GRN 1313030 MT		394	7	193,791	3,850
HD RICE,X PR,MED GRN 1313040 MT		91	35	36,102	15,445
HD RICE,X PR,SHT GRN 1313050 MT		0	48	0	23,669
HD RICE,X PR,MIXED 1313060 MT		48	0	18,383	0
BRKN RICE,>75% BRKN 1313070 MT		21	32	10,034	13,750
RICE,NOT RELIEF,NEC 1313080 MT		5	0	2,250	0
SUBTOTAL.....		971	141	450,305	69,544
COARSE GRAINS & PROD					
BARLEY FOR MALT PURP 1301020 MT		488	0	145,739	0
BARLEY, NSPF 1301040 MT		2,840	490	398,620	64,621
YELLOW CORN,NOT RLF 1303465 MT		194,441	4,690,086	27,895,089	642,147,084
CRN,MAIZ,NSPF,NT RLF 1303475 MT		50,056	10,659	4,707,583	1,266,788
GRAIN SRGHN,NEC,X SD 1304040 MT		1,412,463	3,294,243	165,497,820	438,614,951
OATS 1304500 MT		3,276	1,143	346,399	136,936
RYE 1306000 MT		419	637	31,886	62,659
CORNMEAL,RELIEF 1312020 MT		0	11	0	3,475
CORNMEAL,NOT RELIEF 1312040 MT		312	252	90,751	80,640
CORN GRITS,HOMINY 1312060 MT		1,499	24	361,926	4,759
CRN,MLD GRN PDT,NSPF 1312080 MT		1,083	60,442	275,957	14,630,489
OATS,EX BRKFST CRLS 1312600 MT		981	11	228,971	2,800
MALTS 1321700 MT		11,998	0	3,996,445	0
CORNSTARCH,INCL MILD 1324020 MT		128	22	95,751	16,256
OTML/CAT,FLK,ETC,PRP 1823120 MT		24	10	19,773	8,209
SUBTOTAL.....		1,680,008	8,058,030	204,092,710	1,097,039,667

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		UNITS	-----CUMULATIVE TO DATE-----		-----VALUE-----	
			01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201					
FEED,INGRC & FODDERS						
WHEAT BY-PRODUCTS	1841020	MT	3,031	1,127	273,835	100,496
RICE BY-PRODUCTS	1841040	MT	203	113	12,841	4,010
BRAN,SHRT,MODLNG,NEC	1841060	MT	155	102	7,816	7,350
BEET PULP,DRIED	1842000	MT	217	808	31,539	141,973
BRWR,CTLR,GRAIN,ETC	1842500	MT	5,075	2,599	492,574	252,002
HAY & STRAW	1843600	MT	8,966	325	810,384	32,375
GRN HLL,SCRN,SLP,CHF	1844800	MT	738	2,059	59,061	56,404
ALFALFA HAY CUBES	1848005	MT	190	142	28,616	25,814
ALFALFA MEAL,SUNCURD	1848010	MT	4,605	42	536,109	2,100
ALFALFA MEAL,CHYDRD	1848015	MT	885	38	117,051	1,760
CORN GLUTN FEED&MEAL	1848020	MT	3,265	0	482,211	0
DOG&CAT FOD,RETAIL	1848032	MT	956	758	494,314	439,435
PET FOD,PREP RETL	1848034	MT	944	2,318	577,626	1,169,113
PLTY FEEDS,PREPARED	1848035	MT	3,272	815	970,770	589,859
DAIRY CATTLE FD,PREP	1848040	MT	7,934	1,768	1,425,312	336,200
LIVESTK FD,PREP,NEC	1848045	MT	13,595	9,828	3,540,559	1,480,938
CN PDT,BYPDT,NSPF,FD	1848055	MT	5,969	235	824,175	37,581
CITRUS PULP PELLETS	1848070	MT	429	39	48,346	7,906
ANIMAL FEEDS	1848080	MT	6,723	8,171	1,699,210	2,397,068
SUBTOTAL.....			67,152	31,287	12,432,349	7,082,384
DRIED BEANS						
BLK BEANS,EX SD,DRD	1400100	MT	15,240	0	11,384,508	0
GRT NTHRN BN,X SD,DR	1400300	MT	17	6	6,866	2,560
NAVY/PEA BN,X SD,DRD	1400700	MT	56	8	42,329	3,400
PINTO BEAN,EX SD,DRD	1400800	MT	108,092	261	74,813,947	119,830
RD KDNY BN,EX SD,DRD	1401200	MT	220	0	166,231	0
WHIT BN,X SD,DRD,NEC	1401500	MT	0	3	0	1,600
BEANS,EX SD,DRD,NEC	1401800	MT	6,383	11	4,388,940	16,900
SUBTOTAL.....			130,008	289	90,802,821	144,290
DRIED PEAS						
GREEN PEAS,EX SD,DRD	1402200	MT	7	13	3,216	5,802
YELLOW PEA,EX SD,DRD	1402400	MT	180	60	66,990	19,268
PEAS,EX SD,DRIED,NEC	1402940	MT	5	21	1,900	15,070
SUBTOTAL.....			192	94	72,106	40,140

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
LENTILS					
LENTILS	1403500 MT	94	125	70,090	58,504
LGMNCS VEG,X FLR,NEC	1404100 MT	27	51	9,740	45,413
SUBTOTAL.....		121	176	79,830	103,917
GRAIN & FEED, MISC.					
MILLET	1265700 MT	47	77	12,737	14,524
BCKWHT & CANARY SEED	1301700 MT	702	1,095	278,787	283,856
POPCORN,NCT RELIEF	1303460 MT	275	405	116,344	203,014
FLOUR MSPF,EX WHEAT	1314520 MT	3,068	645	544,225	113,794
WHT,MLD GRN PDT,NSPF	1314540 MT	9,589	3,533	1,479,840	473,600
MALT EXTRACT	1322700 MT	C	1	0	548
BAKERY PRODUCT,FROZN	1822020 MT	28	1	274,442	3,002
BKRY PROT,X FRZ,NSPF	1822040 MT	149	4	230,248	5,831
BREAD,WITH YEAST	1822500 MT	139	4	138,364	5,232
CRL BRKFST FOOD,PREP	1823140 MT	35	3	29,318	5,230
BREAK CER,ROY TO SRV	1823160 MT	191	49	264,607	177,718
WILD RICE,CRD,PROCSO	1827000 MT	C	7	0	13,049
PANCKE FLQR,ETC,MIX	1829705 MT	1,485	620	1,303,249	471,168
CORN SOY MILK BLN,RF	1829715 MT	0	8	0	1,240
CORN-SOYA-MILK BLEND	1829720 MT	146	0	31,630	0
WH FLR SOY BLEND,RLF	1829725 MT	11	0	2,004	0
WHEAT-FLOUR-SOYA BLD	1829730 MT	23	66	10,100	17,325
WAFERS,SEAL,COMM,ETC	1932200 MT	1	0	762	0
DEXTRINE,STARCH,ETC	4923000 MT	29	13	20,054	15,259
SUBTOTAL.....		15,918	6,531	4,736,711	1,804,390
GRAIN & FEED TOTAL		2,292,041	8,101,686	385,424,173	1,106,890,914
SOYBEANS & PRODUCTS					
SOYBEANS,EX PLTNG SD	1754100 MT	287,302	942,536	75,781,739	234,652,985
SOYBEAN OIL,CRUDE	1765220 MT	45,819	65	24,663,342	47,766
SOYBEAN OIL,ONCE RFN	1765240 MT	4,812	0	3,606,310	0
SYBN OIL,RFN,NOT RLF	1765280 MT	7,911	23	5,724,158	16,723
SOYBEAN OIL,HYDROGND	1783520 MT	48,250	597	29,014,813	385,125
FLR&GRT,DFTD,FRT DFT	1829742 MT	C	257	0	79,761
FLOUR&GRIT,NONDEFTD	1829744 MT	9	0	3,829	0
ISOLATES	1829752 MT	245	772	449,842	1,254,892

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE----- -----QUANTITY-----				-----VALUE-----	
		01/82-12/82	01/83-12/83			01/82-12/82	01/83-12/83
MEXICO	201						
CONC/HYDRLST/TXT/SPN 1829754	MT	136	123			306,024	177,545
SOYBN OILCAKE & MEAL 1845260	MT	38,540	168,706			9,195,111	41,752,490
SUBTOTAL.....		433,024	1,113,079			148,745,168	278,367,287
OTHER CAKE & MEAL							
CORN OILCAKE & MEAL 1845220	MT	34	13			6,530	4,003
COTTN OILCAKE & MEAL 1845240	MT	6,202	88			820,528	10,659
VEG OILCAKE & MEAL 1845270	MT	682	49			156,045	21,166
SUBTOTAL.....		6,918	150			983,103	35,828
PEANUTS							
PEANTS,NT SH,NT RSTD 1452000	MT	53	0			71,860	0
PENUT,SH,NT BL,NT OL 1454780	MT	16	0			15,254	0
PEANUT,PREP,PRES,NEC 1456540	MT	23	3			50,455	17,382
SUBTOTAL.....		92	3			137,569	17,382
PEANUT,LNSD,CORN OIL							
CORN OL,CRD,ONCE RFN 1760320	MT	3	0			3,443	0
CORN OIL,REFINED 1760340	MT	32	3			43,911	3,125
LINSEED OIL,CRUDE 1762520	MT	0	12			0	5,500
LINSEED OIL EX CRUDE 1762540	MT	51	20			44,097	17,117
PEANUT OIL,CRUDE 1763820	MT	21	1			15,872	1,090
PEANUT OIL,REFINED 1763840	MT	4	23			2,652	18,061
SUBTOTAL.....		111	59			109,975	44,893
COTTONSEED OILS							
COTTNSD OIL,ONCE RFN 1761840	MT	4	6,840			1,583	3,574,086
CTNSD SLD OIL,NT RLF 1761880	MT	21	90			12,990	66,170
COTTNSD OIL,HYDROGND 1783540	MT	7	416			4,326	226,225
SUBTOTAL.....		32	7,346			18,899	3,866,481
OTHER VEGETABLE OILS							
COCONUT OIL 1760400	MT	320	86			147,145	34,018
SUNFLOWER SEED OIL 1765400	MT	6	82,593			4,754	40,353,401
OLIVE,RAPE,ETC OILS 1769120	MT	13	31			18,267	39,773
OIL,CAST,PLM,PLM KER 1769140	MT	24	32			23,204	31,466
VEG OIL,NSPF,UNMIXED 1769160	MT	760	5,879			693,163	6,345,504
SAL & CKG OILS,RELF 1781120	MT	31	23			24,377	16,696
SAL & CKG OIL,NT REL 1781140	MT	414	23			311,670	16,692

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		UNITS	-----CUMULATIVE TO DATE-----			
			-----QUANTITY-----		-----VALUE-----	
			01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201					
VEG OIL, HYDR, HRD, NEC	1783560	MT	304	28	255,088	27,108
SLD, CKNG OIL, MIXTURE	1786000	MT	2,154	24	2,004,186	26,437
FRY FAT, ETC, 100% VEG	1787020	MT	1,518	460	1,269,807	364,194
SUBTOTAL.....			5,544	89,179	4,751,661	47,255,289
SUNFLOWER SEED						
SUNFLOWER SEED	1755100	MT	635,706	393,476	189,404,841	118,549,648
OILSEEDS, MISC.						
MARGARINE, INCL OLEO	1163000	MT	950	634	695,584	478,003
PEANUT BUTTER	1456520	MT	50	20	89,981	25,656
COTTONSEED	1751500	MT	6,910	249	1,890,384	172,958
OLSDS NES INC FL & ML	1756040	MT	221	218	156,978	287,106
MAYONAISE	1824430	MT	2,519	449	3,069,866	554,221
OTHR SALAD DRESSINGS	1824440	MT	158	23	146,290	18,347
COFFEE WHITNERS, N/D	1829732	MT	0	70	0	133,428
CREAM, MILK SUBSTUTES	1829735	MT	458	0	453,761	0
CREAM, MILK SUBS.	1829736	MT	0	24	0	38,429
WAXES, NEC	4925410	MT	81	91	220,478	272,243
SUBTOTAL.....			11,347	1,778	6,723,322	1,980,391
OILSEEDS PROD TOTAL			1,092,774	1,605,070	350,974,538	450,117,199
COTTON & LINTERS						
RAW CTTN, >1", <1 1/8"	3001060	MT	0	1,598	0	2,365,066
COTTON LINTERS, GR1-7	3003011	MT	1,092	12	238,446	4,052
COTTON LINTERS, NSPF	3003021	MT	7,485	12,408	1,887,136	3,728,308
SUBTOTAL.....			8,577	14,018	2,125,582	6,097,426
SEEDS I						
ALFALFA SEED, UNCERT	1260120	MT	173	257	369,552	556,602
ALFALFA SEED, CERT	1260140	MT	1,395	1,482	3,614,172	4,095,317
BEET SUGAR	1260300	MT	1	1	3,478	9,492
BEET SEED, EXC SGR BT	1260500	MT	9	2	34,753	10,942
BNTGRAS, INCL RED TOP	1260700	MT	0	2	0	11,944
KENTUCKY BLUEGRASS	1260900	MT	1	2	2,415	7,600
CARROT SEED	1261700	MT	36	56	236,753	434,907
LADINO CLOVER SEED	1263120	MT	0	3	0	6,594
WHITE CLOVER SEED	1263140	MT	0	1	0	585

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		UNITS	-----CUMULATIVE TO DATE-----		-----VALUE-----	
			01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201					
CLOVER SEED, NEC	1263200	MT	2	0	5,472	0
TALL FESCUE	1263640	MT	6	14	4,890	24,313
FESCUE GRS SEED, NEC	1263660	MT	3	4	893	12,623
FLOWER SEED, NEC	1264100	MT	11	21	187,121	306,082
ONION SEED	1266100	MT	72	95	952,053	1,140,066
ORCHARD GRASS	1266300	MT	15	4	17,675	8,343
PEPPER SEED	1267100	MT	55	105	287,252	536,233
RADISH SEED	1267300	MT	54	98	185,561	354,555
RYE GRASS SEED, ANNUL	1267720	MT	647	1,258	313,265	656,929
RYE GRASS, PERENNIAL	1267740	MT	9	74	5,290	64,234
SPINACH SEED	1268100	MT	57	9	101,236	27,355
SUDAN GRASS SEED	1271220	MT	57	244	44,526	123,180
GRS SC/FRG CRPSD, NEC	1271240	MT	238	415	402,069	272,991
CANTALOE SEED	1271510	MT	38	97	404,035	816,697
CUCUMBER SEED	1271515	MT	61	77	733,679	954,086
SUBTOTAL.....			2,940	4,321	7,906,140	10,431,670
SEEDS II						
LETTUCE SEED	1271530	MT	6	19	63,435	201,004
SQUASH SEED	1271545	MT	170	301	938,560	1,771,786
TOMATO SEED	1271560	MT	76	136	1,376,044	2,113,266
WATERMELON SEED	1271570	MT	101	115	666,323	836,633
VEGETABLE SEEDS, NSPF	1271580	MT	343	240	1,834,693	1,450,407
SEEDS, NSPF	1271590	MT	1,054	344	2,824,522	964,746
SWT CCRN SP, NOT RLF	1303420	MT	182	252	373,888	503,169
CRN SEED, N/SW, N/REL	1303440	MT	2,929	27,420	3,892,696	31,996,797
GRAIN SORGHUM SEED	1304020	MT	20,316	27,863	14,144,766	16,154,911
BEANS, DEHYD XFLR	1403100	MT	1,530	318	1,797,425	569,710
PEAS, LEGVEG XFLR DRD	1403300	MT	1,110	630	717,931	466,732
SOYBEAN SC FOR PLTNG	1754000	MT	35,439	11,075	18,378,640	4,441,974
SUBTOTAL.....			63,256	68,713	47,008,923	61,471,135
COTTON PRCD TOTAL			74,773	87,052	57,040,645	78,000,231
POULTRY&POULTRY PROD						
BABY CHICKS, BRED STK	1000220	NUM	676,996	677,133	3,047,739	3,998,320
BABY CHICKS, EX BRDNG	1000240	NUM	453,257	21,077	350,840	132,200
TURKEY POULTS	1000260	NUM	35,200	52,794	36,544	106,502
BABY CKS, GEESE, GUIN	1000280	NUM	3,100	0	8,262	0

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
LIVE PLTRY,O/T BABY	1001000 NUM	804,511	0	368,740	0
CHICKENS,YOUNG,WHOLE	1054120 MT	4,636	1,082	5,755,076	1,030,247
CHKNS,EX YOUNG,WHOLE	1054140 MT	489	125	525,418	123,308
CHKNS,CUT UP, PIECES	1054160 MT	6,661	4,495	6,926,331	3,823,922
TURKEYS,WHOLE	1055120 MT	13	64	8,877	93,017
TRKYS,CUT UP, PIECES	1055140 MT	288	125	232,857	101,817
OTH PCULTRY FR/CH/FZ	1056100 MT	76	100	70,253	70,427
PTRY LVRS,FR,CHL,FRZ	1057100 MT	5	8	5,391	7,525
BIRDS,CANNED	1058100 MT	3	0	5,638	0
BIRDS,EX CANNED NSPF	1058300 MT	31	1	61,441	1,839
SHELL EGGS FOR HATCH	1195100 DOZEN	1,245,802	882,790	1,770,457	1,138,852
SHELL EGG,X HATCH,NEC	1195300 DOZEN	22,475,301	985,324	11,192,920	1,095,478
DRIED EGG ALBUMEN	1196520 MT	65	0	306,028	0
DRIED EGG,YOLKS,NEC	1196540 MT	7	0	9,400	0
EGG ALBUMEN,EX DRIED	1197020 MT	10	0	30,000	0
EGG,NT IN SH,YLK,NEC	1197040 MT	127	0	224,482	0
BIRD FEATHER&DOWN,CRD	1860500 MT	13	1	136,674	20,696
SUBTOTAL.....		25,706,591	2,625,119	31,073,368	11,744,150
DAIRY PRODUCTS					
FLU MLK&CRM,FR OR SR	1150100 LITER	5,548,811	3,781,314	3,434,064	1,916,356
CN MK&CRM,NT SWTN,EVP	1153000 MT	6,640	1,289	6,789,810	1,421,382
CND MLK&CRM,SWTN,CON	1153500 MT	101	22	81,012	9,363
MLK&CRM,CCN,EVP,NTCD	1154000 MT	69	0	43,861	0
NFT DY MK,=<3% BF,RF	1155020 MT	0	7,910	0	9,608,157
NFT MK,=<3% BF,NT RF	1155040 MT	8,595	63,643	10,304,273	60,637,579
DRIED MILK&CREAM,NEC	1155700 MT	15,404	16,393	18,556,109	19,774,204
BUTTER	1160100 MT	36	616	67,351	1,112,624
CHEDDAR CHEESE	1171700 MT	13	3,925	46,987	3,597,342
AMRCN CHSE,EXCL CHDR	1178200 MT	162	52	374,571	115,173
CHS,X CHDR&AMRCN,NEC	1178600 MT	107	37	268,434	103,938
WHEY,FLUID	1180000 LITER	8,842	14,093	14,597	23,264
WHEY,DRIED	1180500 MT	985	1,547	457,021	653,459
YOGURT,FERMENT MILK	1181000 MT	147	0	163,457	0
INFT DTY SUPL,DRY MK	1181200 MT	20	74	22,746	107,794
DIETRY SUPL,MILK,NEC	1181700 MT	121	4	164,688	2,893
ICE CREAM	1182500 LITER	300,954	1,389	245,938	733
MILK PRODUCTS NSPF	1186000 MT	0	0	5,886,002	31,245
ANHYDROUS MILK FAT	1777320 MT	2,896	1,851	7,367,641	4,315,134

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		-----CUMULATIVE TO DATE-----				
		-----QUANTITY-----		-----VALUE-----		
		UNITS	01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201					
RENNET, ENZY XYEAST	4352500	MT	6	0	126,167	0
CASEIN, CASEINATE, ETC	4921600	MT	37	345	308,701	1,014,741
LACTOSE	4923510	MT	2,475	1,990	1,257,588	1,011,325
FOOD PRODUCTS, RELIEF	8183100		0	0	23,064	5,650
SUBTOTAL.....			5,896,421	3,896,494	56,004,082	105,462,356
DAIRY/POULTRY TOTAL			50,238	105,699	87,077,450	117,206,506
FRESH FRUITS, CITRUS						
GRAPEFRUIT, FRESH	1471500	MT	11	21	4,402	10,857
LEMONS, FRESH	1471900	MT	282	101	69,658	14,303
LIMES, FRESH	1472200	MT	28	7	11,670	1,452
TANGERINES, FRESH	1473120	MT	42	10	27,756	2,035
TEMPLES, FRESH	1473130	MT	8	0	1,500	0
ORANGES, FRESH, NEC	1473140	MT	156	686	37,003	117,883
CITRUS FRUIT, FSH, NEC	1473500	MT	35	75	15,159	14,956
SUBTOTAL.....			562	900	167,148	161,486
FRESH FRUITS, NONCIT						
APPLES, FRESH	1461000	MT	3,539	1,553	1,891,023	711,984
AVOCADOS, FRESH	1463500	MT	1,147	192	764,106	111,044
STRAWBERRIES, FRESH	1465500	MT	59	7	28,393	7,825
BERRIES, FRESH, NEC	1466500	MT	0	10	0	6,327
CHERRIES, SWEET, FRESH	1468520	MT	49	0	39,620	0
GRAPES, FRESH	1476500	MT	707	579	578,125	484,465
PEACHES, NCTRNS, FRESH	1487500	MT	3,061	529	991,781	293,325
PEARS, FRESH	1488500	MT	2,352	1,332	1,346,467	637,421
PRUNES & PLUMS, FRESH	1491700	MT	163	73	84,393	43,492
PAPAYA, FRESH	1493020	MT	5	0	3,343	0
FRUIT, ED, FRESH NSPF	1493040	MT	222	493	93,847	117,903
SUBTOTAL.....			11,304	4,768	5,821,098	2,413,786
MELONS						
CANTALOUPE, FRESH	1481700	MT	206	80	53,948	21,415
WATERMELON, FRESH	1482000	MT	123	0	15,567	0
MELONS, FRESH, NEC	1482700	MT	4	72	1,800	9,904
SUBTOTAL.....			333	152	71,315	31,319

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
CANNED FRUITS					
APRICOT,PREP,PRES	1511000 MT	1	0	1,104	0
CHRY,PRSNG,PREP,PRES	1512000 MT	3	0	5,908	529
CHERRY,SWT,PREP,PRES	1512520 MT	36	0	46,904	0
CHERRY,TRT,PREP,PRES	1512540 MT	4	0	5,227	0
BERRIES,PREP,PRES	1513000 MT	37	5	16,082	1,883
GRAPEFRUIT,PREP,PRES	1514020 MT	7	93	5,730	75,458
CTR FR,ETC,PR,PS,NEC	1514040 MT	1	0	865	0
CALIF OLIVES,CANNED	1515000 MT	6	0	9,949	0
OLIVE,PREP,PRES,NEC	1515500 MT	0	0	1,469	0
PEACH&NECT,PREP,PRES	1516000 MT	25	6	20,458	5,416
PEARS,PREP,PRES	1517000 MT	25	4	18,200	1,368
PINEAPPLES,PREP,PRES	1518000 MT	20	17	15,438	15,745
FRUIT NSPF,PREP,PRES	1518500 MT	20	515	24,543	778,481
MIX,=>2FRT,PREP,PRES	1519500 MT	269	3	248,427	3,236
FR BBY FD,PRP,PRS,CD	1525500 MT	3	1	2,099	788
SUBTOTAL.....		457	644	422,403	882,904
DRIED FRUITS					
APPLES,DRIED	1501200 MT	60	20	60,602	13,938
APRICOT,PEACH,ETC,DRD	1502200 MT	110	12	134,873	8,169
DATES,DRIED	1504500 MT	5	0	6,875	0
FIGS,DRIED	1505200 MT	65	0	17,056	0
GRAPES,DRIED,RAISINS	1506500 MT	5	0	13,707	0
PRUNES,DRIED	1508000 MT	1,381	117	1,381,461	121,231
FRUIT,DRIED,NEC	1508500 MT	88	2	75,139	2,499
MIXTURE,=>2 DRD FRT	1509000 MT	42	14	43,380	12,000
SUBTOTAL.....		1,756	165	1,733,093	157,837
FROZEN FRUITS					
STRAWBERRIES,FROZEN	1497000 MT	31	26	35,444	33,085
CHERRIES,SWEET,FRZN	1498520 MT	1	7	1,100	9,798
FRUITS,FROZEN,NEC	1499000 MT	5	19	4,958	11,749
SUBTOTAL.....		37	52	41,502	54,632
FRUIT JUICES, CITRUS					
GRPFRT JUICE,NOT CNC	1650500 LITER	21,531	4,894	7,932	2,380
ORANGE JUICE,NOT CNC	1650700 LITER	397,025	532,323	116,838	118,407
CTR FR JU,X CNC,NSPF	1651500 LITER	608,040	32,175	127,000	6,290
GRPFRT JUICE,CONC,FZ	1653100 LITER	6,265	44,844	4,550	25,936

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
	UNITS	01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
ORG JU,CNC,FRZ,+320Z 1653340	LITER	4,077	0	2,963	0
JC,OR,CNC,FZ,OV 1GAL 1653360	LITER	830,873	2,470,408	329,607	1,179,269
CTR JU,CNC,FRZ,NEC 1654100	LITER	289,466	333,038	108,264	99,214
GRPFRT JU,CNC,NT FRZ 1657100	LITER	15,766	0	6,654	0
ORANGE JU,CNC,NT FRZ 1657400	LITER	133,402	0	44,718	0
CITRUS JU,CNC,NT FRZ 1657700	LITER	120,751	0	72,000	0
SUBTOTAL.....		2,427,196	3,417,682	820,526	1,431,496
FRUIT JUICES, NONCIT					
GRAPE JUICE,NT CNC 1651700	LITER	17,431	0	3,684	0
PNEAPPL JUICE,NT CNC 1652100	LITER	4,429	4,542	753	1,065
FRUIT JU,NOT CNC,NEC 1652600	LITER	174,256	5,932	61,189	2,822
GRAPE JUICE,CNC,FRZ 1655400	LITER	2,585	0	1,707	0
FRUIT JU,CONC,FZ,NEC 1656000	LITER	846,840	216,830	258,119	44,762
GRAPE JU,CNC,NT FRZ 1658000	LITER	136,271	0	56,093	0
FRT JU,CNC,NT FZ,NEC 1658800	LITER	185,071	133,496	83,722	38,177
SUBTOTAL.....		1,366,883	360,800	465,267	86,826
OTHR FRUIT PREPARATN					
FRUIT IN BRINE,NEC 1510500	MT	4	0	7,618	0
FRT PEEL,GRD,GRD,ETC 1522500	MT	1	0	600	0
FRUIT PASTE,ETC,NEC 1528000	MT	185	3	177,629	2,601
JAM,JELLIES,MARM,ETC 1533000	MT	44	0	54,722	0
CN,GLC>,NUT,FRUT,ETC 1540000	MT	0	0	0	596
SUBTOTAL.....		234	3	240,569	3,197
VEGS,FRESH OR CHILLD					
BEANS,FRESH,CHILLED 1352100	MT	683	91	339,267	42,097
BROCCOLI,FRESH,CHLD 1352300	MT	253	104	149,076	55,855
BRSSL SPRTS,FSH,CHLD 1352500	MT	2	0	925	0
CABBAGE,FRESH,CHILLD 1352700	MT	12	2	2,272	1,200
CARROTS,FRESH,CHILLD 1352900	MT	344	95	125,954	34,460
CAULFLWR,FRESH,CHLD 1353100	MT	4	45	3,705	25,825
CELERY,FRESH,CHILLED 1353300	MT	991	930	424,119	340,335
RTS,TBR,ETC,FSH,CHLD 1353500	MT	381	182	107,219	54,337
CORN,SWT,FRESH,CHILL 1353700	MT	281	46	175,651	22,655
CUCUMBERS,FRESH,CHLD 1353900	MT	30	41	9,905	13,495
GARLIC,FRESH,CHILLED 1354000	MT	49	0	45,336	1,200
LETTUCE,FRESH,CHILLD 1354300	MT	648	312	209,676	95,044

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
ONION,X SET,FSH,CHLD 1354500	MT	2,242	1,019	635,369	230,342
PEPPERS,FRESH,CHILLD 1354700	MT	150	224	37,345	70,054
POTATC,WH,I,FR,SEED 1354920	MT	2,673	23	651,783	2,500
POTATC,W,I,FR,N/SEED 1354940	MT	4,069	2,105	897,346	322,131
TOMATOE,FRSH,CHILLD 1355300	MT	423	74	220,378	32,147
VEGS,FSH OR CHLD,NEC 1355900	MT	1,570	678	583,438	112,711
SUBTOTAL.....		14,805	5,971	4,618,764	1,456,388
VEGS, CANNED					
ASPRGS,CNND,EX PICKL 1410100	MT	4	0	6,038	0
DRY BN,CNND,EX PICKL 1410320	MT	151	9	50,873	2,611
BN,X DRY&PCKL,CD,NEC 1410340	MT	265	50	176,743	36,771
CORN,CANNED 1410500	MT	414	270	308,883	180,113
PEA,X CWPEA&CKPEA,CD 1411100	MT	58	10	36,328	6,123
TOMATOE PULP,CANNED 1412220	MT	12	17	8,571	13,087
TMTO SAUCE,X CHLI,CD 1412240	MT	85	1	64,258	573
TOMATOE PASTE,CANNED 1412260	MT	4	0	3,073	611
TOMATOE,CANNED,NEC 1412280	MT	8	0	3,680	0
VEG,X PKL,CD,ETC,NEC 1413200	MT	1,845	264	1,451,465	180,804
VEG BBY FC,CND,ETC 1414200	MT	31	12	21,299	5,976
PICKLED CUCUMBERS 1415200	MT	7	2	3,900	525
VEG,X CCMER,PCKL 1415700	MT	42	36	40,581	15,733
VEG,OTR PRE,PRES,NEC 1417500	MT	32	129	29,736	104,081
MUSHROOMS,CANNED 1442500	MT	2	0	3,642	0
CATSUP&CHILI SAUCE 1824420	MT	98	3	62,981	1,655
SUBTOTAL.....		3,058	803	2,272,051	548,663
VEGETABLES, FROZEN					
CORN,SWEET,FROZEN 1382000	MT	93	17	57,325	6,958
PEAS,FROZEN 1383000	MT	13	2	7,025	1,200
POTATO,F FRY,FROZEN 1384100	MT	266	19	254,903	19,120
POTATO,X FF,FRZN,NEC 1384500	MT	88	36	41,066	15,049
VEGETABLE,FROZEN,NEC 1387000	MT	69	37	51,166	63,357
SUBTOTAL.....		529	111	411,485	105,684
VEGETABLES, DEHYD.					
GARLIC,DRIED,DEHY 1405100	MT	32	45	47,859	28,461
ONIONS,DRIED,DEHY 1405300	MT	0	20	0	39,152
POTATO FLKS,DRD,DEHY 1405620	MT	2	0	3,795	0

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		UNITS	QUANTITY		VALUE	
			01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO		201				
POTATCE,DRD,DEHY,NEC	1405660	MT	18	19	8,140	10,518
NONLGNC VEG,X FL,NEC	1406100	MT	128	163	42,114	19,440
VEG REDUCED TO FLOUR	1407100	MT	243	3,415	598,899	925,040
SOUP DRD CR DEHYDRID	1825120	MT	38	1	37,257	2,470
SUBTOTAL.....			461	3,663	738,064	1,025,081
TREE NUTS, SHELLED						
ALMND,NT SHL OR RSTD	1451200	MT	64	42	146,985	121,884
FLBRT,NT SHL OR RSTD	1451600	MT	95	0	162,334	0
PECAN,NT SHL OR RSTD	1452200	MT	197	17	401,998	8,850
WALNT,NT SHL OR RSTD	1452800	MT	4	11	2,804	19,805
PISTH,NT SHL OR RSTD	1453520	MT	81	5	495,374	21,400
NUT,NT SHL/RSTD,NEC	1453540	MT	21	3	79,078	3,384
ALMDS,NT BLNCH,SHLD	1454300	MT	125	75	241,914	199,300
FLBRT,NT BLNCH,SHLD	1454500	MT	68	3	75,609	5,875
PECAN,NT BLNCH,SHLD	1454900	MT	21	1	49,803	2,520
WALNUT,NT BLNCH,SHLD	1455100	MT	4	1	9,076	750
PISTH,NT BLNCH,SHLD	1455720	MT	59	0	275,017	0
NUT,NT BLNCH,SHLD	1455740	MT	83	4	257,786	7,925
ALMONDS,PREP OR PRES	1456100	MT	17	10	52,678	32,870
PISTH,PREP OR PRES	1457520	MT	4	5	13,148	10,000
NUTS,PREP,PRES,NEC	1457540	MT	16	2	53,901	2,292
MIXTURE,>=2 OF ED NT	1459000	MT	3	0	18,487	0
SUBTOTAL.....			862	179	2,335,992	436,855
HOPS						
HOP PELLETS	1922520	MT	468	0	1,940,325	0
HOPS,NSPF	1922540	MT	414	34	1,442,653	115,608
HOP EXTRACT&LUPULIN	1923200	MT	589	502	8,470,612	6,154,174
SUBTOTAL.....			1,471	536	11,853,590	6,269,782
NURSERY PRODUCTS						
BULBS,ROOTSTOCKS,ETC	1253100		0	0	436,659	9,823
FRUIT AND NUT PLANTS	1255200		0	0	810,545	94,998
ROSE PLANTS	1256500		0	0	55,912	600
NRSY SK,LIVE PLT,NEC	1258100		0	0	771,216	324,493
CUT FLOWERS,ETC,FSH	1921120		0	0	10,300	6,577
SHB,TREE PRT,ETC,NEC	1921140		0	0	17,009	31,120
SUBTOTAL.....			0	0	2,101,641	467,611

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	CUMULATIVE TO DATE			
		QUANTITY		VALUE	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
ALCOHOLIC BEVERAGES					
BEER, ALE, STOUT, PORTR	1670500 LITER	1,394,637	39,625	643,363	26,075
WINE, STILL, < 14% AC	1673100 LITER	146,272	20,217	143,600	30,905
WINES, GRAPE, NEC	1674300 LITER	34,821	30,097	61,850	35,078
FERM ALCHL BEVRG, COR	1675120 LITER	2,101	0	700	0
FERM ALCHL BEVRG, NEC	1675140 LITER	171,546	2,343	85,050	780
SUBTOTAL.....		1,749,377	92,282	934,563	92,838
FRUIT & VEG, MISC.					
STARCHES, NEC	1324040 MT	607	353	536,007	175,701
MUSHROOM, NEC, 8TRF	1443500 MT	0	5	0	2,958
TOMATO JUIC, OVER 70%	1663020 LITER	113,415	20,142	43,651	14,156
VEGETABLE JUICE, NSPF	1663040 LITER	270,997	117,223	96,984	24,394
BEVERAGES, NEC	1664100 LITER	953,479	406,314	214,375	87,204
THIN SOY SAUCE	1824410 MT	56	48	84,763	53,247
SAUCES, NEC	1824450 MT	61	30	79,209	32,706
SOUPS, NEC	1825140 MT	816	44	735,103	40,405
VINEGAR	1825600 LITER	101,791	22,897	34,316	10,363
POTATO CHIPS & STICKS	1829420 MT	23	55	69,214	80,429
CORN, ETC, CHIPS & STICK	1829440 MT	112	290	159,764	427,110
MIXED SEASONINGS	1829740 MT	328	45	599,524	83,972
EDIBLE PREP, NSPF, CND	1829760 MT	49	1	89,524	1,523
EDIBLE PREP, NSPF, FRZ	1829770 MT	170	4	241,448	2,124
BLENDED FD PRCTS, NEC	1829780 MT	566	206	752,991	338,905
MONOSODIUM GLUTANATE	4315720 MT	342	15	658,652	28,674
YEAST, BULK	4352800 MT	10	202	32,829	637,243
SUBTOTAL.....		1,442,822	567,874	4,428,354	2,041,114
FRUITS & VEGS TOTAL		39,009	19,245	39,477,425	17,667,499
TOBACCO, OTHER UNMFD					
OTH LEAF TOBACCO, NEC	1704300 MT	0	0	2,606	2,606
TOB, UNMG, NEC, STM, ETC	1705100 MT	2	0	5,221	0
SUBTOTAL.....		2	0	7,827	2,606
TOBACCO PROD TOTAL		2	0	7,827	2,606

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		UNITS	-----CUMULATIVE TO DATE----- -----QUANTITY----- VALUE----- 01/82-12/82 01/83-12/83 01/82-12/82 01/83-12/83			
MEXICO		201				
LIVE ANIMALS						
BEEF,BREEDING,BULLS	1004120	NUM	1,587	1,231	1,424,015	808,154
BEEF,BREEDING,FMLS	1004140	NUM	3,437	956	1,549,418	390,928
CATTL,DRY,BRDNG,BULL	1004160	NUM	214	47	225,334	74,594
CATTL,DRY,BRDNG,FMLS	1004180	NUM	5,307	1,382	5,041,469	1,144,907
CATTLE EX BREEDING	1004190	NUM	7,743	1,783	3,623,395	617,447
HORSES FOR BREEDING	1007100	NUM	268	141	312,986	152,640
HORS,ASS,MUL,BUR,NEC	1007200	NUM	262	144	217,574	187,658
SHEEP	1008200	NUM	248,197	175,424	9,004,506	4,415,121
SWINE	1008300	NUM	10,608	1,002	3,041,775	355,404
ANIMALS FCR FOOD	1009620	NUM	1,273,152	2,758	13,726,919	47,316
SUBTOTAL.....			1,550,775	184,868	38,167,391	8,194,169
BF,VL,PK,CTH RD MEAT						
BF,CRC,W/BN,FR,CH,FZ	1061025	MT	424	34	1,049,318	109,905
BF,CARCASSES,W/O BNE	1061060	MT	215	59	756,406	241,502
CTTL,VL,CARC,PRML CT	1061080	MT	33	0	70,383	0
SHP,LAMB,CARC & PRML	1062500	MT	116	73	240,487	169,894
SWINE (PORK) CARCASS	1064020	MT	137	9	267,346	10,400
SWINE,HAMS&SHOULDERS	1064040	MT	20	14	44,521	44,647
SWINE,PRML CUTS,NSPF	1064060	MT	8,734	9,681	5,905,860	5,857,884
SAUSAGES,ETC,CANNED	1070100	MT	9	1	19,879	4,116
SAUSAGE,ETC,NT CNND	1070200	MT	134	26	212,310	32,369
PORK,FR,CH,FZ,PREP	1073715	MT	276	82	242,085	60,747
PORK,PREP,PRES,CNND	1073725	MT	20	3	40,512	1,971
BACON,EXCL FR,CH,FRZ	1073740	MT	48	1	96,685	2,804
HAM,SHLD,EX FR,CH,FZ	1073750	MT	49	25	118,224	81,428
PK,NEC,PRP,PRS,NT CD	1073770	MT	538	475	526,151	410,289
BEEF,PREPARED & PRES	1073820	MT	445	79	1,429,164	268,342
VEAL,PREP & PRESVD	1073840	MT	2	0	4,568	0
BF,VL,PREP,PRES,CNND	1074200	MT	73	31	123,979	62,793
BF,VL,PREP,PRES,NEC	1074600	MT	109	54	152,396	62,483
MT,ED OFFL,PREP,FCF	1076200	MT	146	19	228,486	26,264
MT,OFFL,PRE,PRES,CND	1076400	MT	38	4	63,959	4,981
MT,OFFL,PRE,PRES,NEC	1076600	MT	167	112	152,529	121,400
SUBTOTAL.....			11,733	10,782	11,745,248	7,574,219
OTHR MEAT PROC						
HORSENT,CARC,PRML CT	1065100	MT	27	0	14,160	0
EXTRACT OF MEAT	1078000	MT	30	20	84,332	47,890
SUBTOTAL.....			57	20	98,492	47,890

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
VARIETY MEATS					
BEEF,TONGUE,FR,CH,FZ 1068200	MT	1,096	1,099	2,007,009	1,780,832
BEEF LIVER,FR,CHL,FZ 1068400	MT	1,472	2,279	856,834	1,561,080
BEEF,NEC,FR,CH,OR FZ 1068600	MT	11,786	12,058	9,667,471	7,015,310
VEAL,FRESH,CH OR FRZ 1068800	MT	10	31	8,108	12,287
SHP & LAMB,FR,CH,FRZ 1069000	MT	132	134	161,651	107,805
PORK LIVER,FR,CH,FRZ 1069200	MT	152	611	97,232	295,040
PORK,NEC,FR,CH OR FZ 1069400	MT	9,966	4,266	6,625,169	2,151,135
MT OFFAL,ED,FR,CH,FZ 1069600	MT	2,149	856	1,568,678	472,161
SUBTOTAL.....		26,763	21,334	20,992,152	13,395,650
ANIMAL FATS					
LARD 1775000	MT	24,589	19,717	14,758,894	10,660,808
OLEO&CLEO STEARIN,ED 1775220	MT	2,408	140	1,387,028	77,802
OLEO&OLEO STRIN,INED 1775240	MT	519	547	231,012	217,495
TALLOW,EDIBLE 1775620	MT	17,252	16,198	9,283,184	6,675,382
TALLOW,INEDIBLE 1775640	MT	60,818	70,668	27,149,464	30,484,770
CHOICE WHITE GREASE 1777360	MT	21	50	8,100	9,269
YELLOW GREASE 1777385	MT	0	176	0	467,565
ANML CIL,FAT,GRS,NEC 1777390	MT	231	489	128,199	748,512
SUBTOTAL.....		105,838	107,985	52,945,881	49,341,603
HIDE AND SKINS					
CATTLE HIDES,WHOLE 1201400	NUM	1,869,109	1,293,090	53,343,922	40,700,439
CALF SKINS,WHOLE 1201720	PIECE	581,083	549,928	6,048,643	6,063,252
KIP SKINS,WHOLE 1201740	PIECE	112,264	89,885	2,206,166	1,834,518
CATTLE HIDES,EX WHLE 1201755	NUM	12,840	3,472	340,722	96,288
CATTLE HIDES,PCS,OTH 1201765	MT	1,006	550	313,138	195,902
SHEEP&LMB SKN,W/O WL 1202022	PIECE	62,877	66,034	180,761	290,256
EQUINE HIDES 1202044	MT	919	92	426,266	62,205
GOAT AND KID SKINS 1202047	PIECE	85,498	338,220	306,308	1,953,600
HIDES AND SKIN,NEC 1202090		0	0	1,050,700	0
PIG AND HOG SKINS 1202092	PIECE	0	246,202	0	773,084
HIDES AND SKIN, NEC 1202095		0	0	0	211,995
SUBTOTAL.....		2,725,596	2,587,473	64,216,626	52,181,539

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED		UNITS	-----CUMULATIVE TO DATE-----		-----QUANTITY-----		-----VALUE-----	
			01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201							
FUR SKINS								
SHP&LMB SKN, WHL, FURS	1230000	NUM	12,689	5,746			20,617	29,763
FOX FURSKN, WH, UNDRES	1241511	NUM	0	12			0	720
MINK FUR SKIN, UNDRES	1241525	NUM	59	191			1,895	6,099
FUR SKIN, UNDRES, NEC	1241558	NUM	1,745	210			36,912	1,228
SUBTOTAL.....			14,493	6,159			59,424	37,810
MT, BONE, FEATHER MEAL								
MT ML, TNK, NT FOR HMN	1845600	MT	1,876	286			458,155	85,822
MT, NT, HUM, CON, F/C/FZ	1846620	MT	6	48			8,504	40,380
OTHER MT, N/HUM, CONS.	1846640	MT	56	42			88,832	21,339
BONE MEAL, ASH & DUST	4804000	MT	328	5			61,844	2,428
SUBTOTAL.....			2,266	381			617,335	149,969
WOOL, ANIMAL HAIR								
MOHAIR	3069100	MT	13	3			94,388	23,268
HAIR, EX MCHAIR	3069600	MT	3	0			7,000	27,790
SUBTOTAL.....			16	3			101,388	51,058
LVSTCK & MT PROD, MISC								
GOAT&SML GAME F, C, FZ	1065200	MT	100	92			128,117	88,659
WOOL GREASE	1775900	MT	11	154			29,775	414,763
BAKING/FRYING FATS	1787040	MT	4,717	384			4,182,887	374,149
MIX OF AN&VEG. OILS	1789000	MT	5,192	34			4,860,478	87,684
MEAT&VEG HASH, PASTES	1821200	MT	8	0			17,985	0
HAIR&BRISTLES, NEC	1865700	MT	12	29			118,322	154,262
HOG SAUS CASINGS, NAT	1905920	MT	3,198	3,333			4,439,631	5,339,561
SAUS CASE, NTL, EX HOG	1905940	MT	13	11			118,926	66,049
BULL SEMEN	1911520		0	0			1,226,260	767,076
AN. PROD. CRUDE OR NOT	1912500		0	0			4,635,120	1,856,723
AN. GLAND/CRGAN&PARTS	4341010	MT	0	0			26,711	0
BILE&OTHER AN. SECRTS	4341020	MT	0	1			6,100	16,050
NTL DRUGS LIVER, ADV	4343010	MT	0	1			0	4,018
NTL DR ANPL ORGN, NEC	4343050	MT	6	4			147,260	78,086
STOCK FOR GLUE&GELAT	4550700	MT	4	3			10,747	5,584
ED. GEL. FOR PHARM. USE	4552100	MT	661	677			3,921,295	1,745,003
OTHER GLUE&GEL. NEC	4554900	MT	484	347			923,278	900,906
OLEIC ACID	4901000	MT	472	454			336,715	281,520
STEARIC ACID 40-50%	4901300	MT	212	67			187,038	41,192
SUBTOTAL.....			15,090	5,591			25,316,645	12,221,285
LIVESTCK PROD TOTAL			163,688	146,738			214,260,582	143,195,192

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
 * * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	CUMULATIVE TO DATE			
		QUANTITY		VALUE	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
SUGAR & RELATED PROD					
SUGAR, BT/CANE, REF. 1552025	MT	12,223	47,485	4,478,687	13,317,473
SUGAR, BEET/CANE, RAW 1552045	MT	6	0	1,800	0
SGR, SRP, MLSS, <6% SL 1553000	MT	55	14	47,279	5,000
MOLASSES, ED/INED 1553700	LITER	874,242	161,311	268,676	57,149
DEXTROSE 1556000	MT	25	141	9,181	77,799
GLUCOSE SYRUP 1556520	MT	213	24	137,742	40,082
HI-FRUCTOSE SYRUP 1556540	MT	1	0	620	0
HONEY 1557000	MT	1	1	697	700
SGR, ETC, MT BEET, CANE 1557300	MT	66	2	32,635	2,840
SGR, SRP, MLSS, BLENDED 1557500	MT	58	45	93,084	17,323
CNDY, CFCNY, X COC, CHC 1571020	MT	712	195	1,300,823	271,291
POLYSACCHARD, ETC, NEC 4923520	MT	146	6	138,928	10,594
SUBTOTAL.....		887,748	209,224	6,510,152	13,800,251
COCOA & COCOA PROD.					
CHOC LIQUOR, NOT SWTD 1562000	MT	2	0	2,760	0
CHOC CNDY, BAR, MT >10# 1562720	MT	30	5	95,031	15,018
CHOCOLATE, SWTD, NEC 1562740	MT	53	9	167,502	24,393
COC, ETC, UNSWD, FOR RD 1564000	MT	6	3	19,600	6,760
COCOA, SWEETENED 1564500	MT	7	2	14,920	4,984
CNFCTNR, ETC, X CNFNY 1564700	MT	3	0	5,609	0
COCOA CKE, MT FOR RED 1565200	MT	19	0	6,254	0
CANDY, CNFCTNRY, NEC 1571040	MT	499	108	1,365,921	239,274
SUBTOTAL.....		619	127	1,677,597	290,429
COFFEE & COFFEE PROD					
COFFEE, RSTD OR GRND 1601040	MT	1	0	3,825	0
COFFEE EXTRACT, ETC 1602200	MT	5	0	55,506	0
SUBTOTAL.....		6	0	59,331	0
SPICES					
CINNAMON & CASSIA 1611800	MT	53	265	129,736	657,183
MUSTARD FLR, PRP MUST 1616000	MT	36	34	38,642	36,955
MUSTARD SEEDS 1616100	MT	11	21	5,690	10,405
BLACK & WHITE PEPPER 1617800	MT	14	47	33,113	105,378
RED PEPPER 1618100	MT	15	8	26,240	13,625

(Cont.)

U. S. AGRICULTURAL EXPORTS *
 PERIOD: JAN 1982-DEC 1983 *
 VALUES ARE IN DOLLARS *
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UNITED STATES DEPARTMENT OF AGRICULTURE
 FOREIGN AGRICULTURAL SERVICE

AREA/COUNTRY OF DESTINATION AND COMMODITIES EXPORTED	UNITS	-----CUMULATIVE TO DATE-----			
		-----QUANTITY-----		-----VALUE-----	
		01/82-12/82	01/83-12/83	01/82-12/82	01/83-12/83
MEXICO	201				
SPICE&SPICE SEED,NEC 1621700	MT	357	345	875,305	770,567
SUBTOTAL.....		486	720	1,108,726	1,594,113
GINSENG					
GINSENG RCOT,CRUDE 4345010	MT	2	0	34,389	0
GINSENG RCOT CULTVTD 4345020	MT	0	0	0	6,400
GINSENG,ADVAND FORM 4346010	MT	1	0	41,588	0
SUBTOTAL.....		3	0	75,977	6,400
ESSENTIAL OILS					
OL, CEDRWD, CLOV, NUTMG 4522000	MT	49	43	309,574	259,889
LEMON OIL 4523400	MT	6	0	15,608	3,817
ORANGE OIL 4524400	MT	117	386	188,342	405,590
PEPPERMINT OIL 4525400	MT	84	46	2,518,862	1,508,791
SPEARMINT OIL 4525800	MT	33	41	1,047,968	1,459,676
ESSENTIAL OILS, NEC 4526000	MT	753	202	2,308,712	1,782,826
SUBTOTAL.....		1,042	718	6,389,066	5,420,589
FIBERS					
BROOM CORN 1925500	MT	0	1	0	2,954
STRW, CTHR, CR, PRC, NEC 1928200	MT	16	19	29,134	59,126
VEG SUBS, CRD, NEC, ETC 1932500	MT	788	683	1,132,012	506,001
VEG FIBER, EX COTTON 3040100	MT	207	186	312,158	362,372
SUBTOTAL.....		1,011	889	1,473,304	930,453
SUGAR & TROP, MISC.					
TEA & MATE> 1605500	MT	18	10	123,908	67,687
BEVERAGE BASES 1829710	MT	59	15	842,495	207,252
LICORIC RCOT&EXTRACT 1924200	MT	23	32	84,346	105,208
NAT DRUG, VEG CRG, NEC 4345050	MT	38	9	60,274	20,381
NAT DRUG, VEG CRG, NEC 4346050	MT	1	41	86,048	449,845
ENZYMES, EXCEPT YEAST 4352600	MT	34	91	835,286	606,170
FERMENT EXCEPT YEAST 4352700	MT	0	0	12,432	17,150
LATX RUBBR, X SYN RUB 4460505	CMT	191	562	209,674	669,297
NATRL RUBBER, ETC, NEC 4460515	MT	332	1,557	735,539	2,831,897
LIGD FLV, SYN, NAT, ETC 4501500	MT	181	265	1,597,647	2,041,517
FLVRNG MAT, NEC, ETC 4503500	MT	39	32	212,613	183,589
PECTIN 4550300	MT	1	1	3,796	4,191
VEG MAT FOR DYNG&TAN 4711000	MT	13	76	35,398	102,729
SUBTOTAL.....		930	2,691	4,839,456	7,306,913
SUGAR/TROPICAL TOTAL		17,412	52,496	22,133,609	29,349,148
TOTAL COUNTRY		3,729,945	10,117,977	1,156,296,249	1,942,429,295

NOTE: QUANTITY TOTALS INCLUDE ONLY THOSE ITEMS MEASURED IN METRIC TONS.

(*) ONLY USE VALUE SUBTOTALS. QUANTITY SUBTOTALS ARE MEANINGLESS DUE TO DIFFERENT

NOTE: IF AN AGGREGATE SUBJECT WAS REQUESTED, A DESCRIPTOR LIST FOLLOWS
 IF A REGION OR GROUPING STUB WAS REQUESTED, A DESCRIPTOR LIST FOLLOWS



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